

The 105<sup>th</sup> American Assembly

# RENEWING THE U.S. ~ Canada RELATIONSHIP

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## PREFACE

On February 3, 2005, seventy women and men from the United States and Canada including government officials, representatives from business, labor, law, nonprofit organizations, academia, and the media gathered at Arden House in Harriman, New York for the 105th American Assembly entitled “U.S.-Canada Relations.” Assemblies had been sponsored on this topic in 1964 and 1984, and this third Assembly on bilateral relations was co-sponsored by the Canada Institute of the Woodrow Wilson International Center for Scholars, the Canadian Institute for International Affairs (CIIA), and The American Assembly of Columbia University. The participants, representing a range of views, backgrounds, and interests, met for three days in small groups for intensive, structured discussions to examine the concerns and challenges of the binational relationship.

This Assembly was co-chaired by Allan Gotlieb, former Canadian ambassador to the United States, former under secretary of state for External Affairs, and senior advisor at Stikeman Elliot LLP in Toronto and James Blanchard, former U.S. ambassador to Canada, former governor of Michigan, and a four-term member of the U.S. Congress, currently a partner at DLA Piper Rudnick Gray Cary in Washington D.C. The project was co-directed by Joseph T. Jockel, professor and director of Canadian Studies, St. Lawrence University and David G. Haglund, the Sir Edward Peacock Professor of Political Studies, Queen’s University. The project also was ably assisted by a steering committee of distinguished leaders from both countries, whose names and affiliations are listed as the appendix of this report.

Papers were commissioned as background reading for the participants by co-directors Haglund and Jockel and edited by Rima Berns-McGown, managing editor of the *International Journal*. A list of the papers and their authors are on the facing page and will constitute a special edition of the *Journal*. Copies of the book may be obtained by calling the Canadian Institute of International Affairs at 1-800-668-2442 or 416-977-9000, or by email, [ij@ciia.org](mailto:ij@ciia.org).

During the Assembly, participants heard a conversation between co-chairs Gotlieb and Blanchard moderated by Canadian Consul General to New York Pamela Wallin and formal addresses by Jean Charest, premier of Québec, Paul Cellucci, U.S. ambassador to Canada, and David Frum, resident fellow at the American Enterprise Institute for Public Policy Research. The conversation and Premier Charest’s speech can be viewed on the co-sponsors’ websites, [www.americanassembly.org](http://www.americanassembly.org), [www.wilsoncenter.org/canada/](http://www.wilsoncenter.org/canada/), and [www.ciia.org](http://www.ciia.org).

The co-sponsors gratefully acknowledge the generous support of the Donner Canadian Foundation, Archer Daniels Midland Company, DaimlerChrysler Corporation Fund, General Motors Corporation, TD Bank Financial Group, Canadian Imperial Bank of Commerce, the Government of Canada, Scotiabank, Trizec Properties, and the Government of Québec.

The American Assembly, the CIIA, and the Canada Institute take no positions on any subjects presented here for public discussion. In addition, it should be noted that participants took part in this meeting as individuals and spoke for themselves rather than for their affiliated organizations and institutions.

We would like to acknowledge and express special gratitude to the project co-directors, Joseph T. Jockel and David G. Haglund, and for the fine work of the discussion leaders and rapporteurs who guided the participants in the sessions and helped to prepare the draft of this report: Andrew Cohen, Maryscott Greenwood, Norman Hillmer, Joseph R. Núñez, Christopher Sands, and Joel J. Sokolsky.

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## **RENEWING THE U.S.-CANADA RELATIONSHIP**

At the close of their discussions, the participants in the 105th American Assembly on “U.S.-Canada Relations” at Arden House in Harriman, New York, February 3-6, 2005 reviewed as a group a draft of this statement. This statement represents general agreement; however, no one was asked to sign it. Furthermore, it should be understood that not everyone agreed with all of it.

### **INTRODUCTION**

Relations between the United States and Canada have fallen into a noticeably cyclical pattern over the past half century or so. The American Assembly has been able during these years to turn its attention to the U.S.-Canada relationship precisely when it could do the most good. In 1964, when the first such Assembly gathered, sharp disagreements between Ottawa and Washington, primarily over defense and economic matters, ended the long, post-war “golden” period of amicable ties. In a similar vein, the 1984 Assembly met shortly after U.S. Secretary of State George P. Shultz had written President Ronald Reagan that something appeared to be “fundamentally wrong” between the United States and Canada.

In his memoirs, Shultz provided a useful metaphor for thinking about the bilateral relationship. It needed “gardening,” he wrote; otherwise the weeds would grow up.

The American Assembly joined with the Canadian Institute of International Affairs and the Canada Institute of the Woodrow Wilson International Center for Scholars, two independent, nonpartisan organizations, for a third analysis of the state of the relations between the two countries.

As this Assembly met in 2005, to follow Shultz’s analogy, weeds have indeed grown in the garden and threaten what has traditionally been one of the world’s most

successful bilateral relationships. This most recent downturn in the cycle finds the relationship in a serious set of new circumstances.

First of all, the backdrop has changed over the past two decades, beginning with the dissolution of the Soviet Union and the end of the Cold War, which had given a sense of predictability to U.S.-Canada relations. This shift in the world order leaves one remaining superpower – the United States. Meanwhile, China is emerging as an economic powerhouse with a huge thirst for resources. Globalization and dramatic advances in communications technology have vastly increased the pace of change. Canada is no longer playing the middle power role it played successfully for a number of years in the mid-twentieth century. At the same time, recourse to force has never been so extensive throughout the world, which calls for a better management of the international system. The horrific events of September 11, 2001 fundamentally altered the U.S. sense of security and made unmistakably clear the threat of global terrorism to our people and our nations. Among the early manifestations of the attacks were the delays and security concerns at the border. Finally the war in Iraq has produced deep divisions within the Western alliance, not least of all between Canada and the United States.

The September 11 terrorist attacks also have led to a dramatic refocusing of the priorities of the United States. Domestically the United States makes homeland security the top priority while internationally, it emphasizes the global war on terror above all else.

Canada faces daunting problems. As has been well documented, its diplomatic, defense, and development assets have run down, lessening the country's influence in the world. The warmth between Washington and Ottawa has dissipated, a phenomenon that was echoed by certain legislators and various pockets of public opinion in both countries. All this took place against the backdrop of highly profiled persistent trade irritants.

For the United States, security concerns loom larger than at any time since the Second World War; the same is not the case for most of America's traditional allies, including Canada. Whatever else the demise of the Cold War era has meant, it has certainly weakened the security consensus within the western alliance, which served as the traditional legitimizing institution for U.S. foreign policy. Not surprisingly, the leadership role of the United States is much less accepted.

The United States will place its physical security above the free flow of goods, services, capital, and people across the border. As the U.S. ambassador to Canada, Paul Cellucci stated in his address to this Assembly, "security trumps trade while we must keep trade flowing." Canada's extensive ties with the United States, not to mention its simple geographic reality, place it in a position far different from that of other allies. While the Canadian public does not perceive the terrorist threat to North American security and prosperity to be as significant as does the American public, Canada has no alternative but to take into account the American view as it manages the bilateral relationship in this new era of non-traditional threats.

Internationally, Canada believed it could work with the United States in multilateral fora as it had in the past. After all, the United States was one of the founders of many of the best-known multilateral organizations such as the United Nations and the World Trade Organization. It appeared, however, that the United States was increasingly willing to go its own way. The issue became acute in 2003, when after weeks of equivocating, the government of Prime Minister Jean Chrétien jarred the Bush

administration when it publicly revealed its decision not to join the U.S.-led “coalition of the willing” in the invasion of Iraq. The announcement, carried live on CNN, was made in the House of Commons among cheering MPs, a setting not compatible with either the gravity of the decision or the importance of close U.S.-Canadian ties.

Some members of this Assembly believe that the United States under the administration of President George W. Bush has unduly disregarded the interests of its allies. Since his re-election in November 2004, President Bush has indicated a desire to improve relations with U.S. allies including Canada. This was signaled by his visit to Ottawa and Halifax soon after the vote. Canada obviously welcomes this and should reciprocate by communicating that in the future when there are significant and controversial disagreements, Canada will ensure that the United States is made aware of its decisions through appropriate public and private channels.

When Paul Martin replaced Chrétien in December 2003, Martin said that he would improve the relationship with the United States. Part of the problem has been the continued reluctance of Canadian politicians to make a case to the electorate for increased defense spending whether for reasons of Canada’s own sovereignty, its international security or improved relations with the United States. Many Canadian politicians pledge to defend their country’s independence and distinctiveness from the United States, even when there is no real menace to either. Partly based on survey data in areas such as religion and family suggesting that the values of Canadians and Americans were diverging, many Canadians came to believe they were increasingly different from their U.S. neighbors.

This Assembly believes there are some practical political constraints on bilateral cooperation. In particular, this rules out such “grand designs” as a customs union or common currency, which some have called for. In any case, it is unlikely that either side would be receptive to such proposals.

Instead of “grand designs,” this Assembly proposes many significant measures that together would renew this fundamentally successful but cyclically troubled bilateral relationship.

## **VALUES**

Members of this Assembly are skeptical that a divergence in values between the United States and Canada can or should drive the relationship. We even question the thesis, held by some, that there is a major divergence of values. In fact, Canada and the United States share the most fundamental values rather than disagree about them.

Nevertheless, it would be wrong to ignore the reality that the perception of differences in values has colored the discussion of the relationship in the past few years, especially but not exclusively in Canada. The belief that there is a chasm between the most cherished convictions of two such interdependent neighbors can have repercussions that travel beyond hurt feelings.

The “values” argument places Canada to the social and political left of the United States. There is a sense of difference over such searing social issues as same-sex marriage, the legalization of marijuana use, abortion, capital punishment, and gun control. In addition, there are also long-standing differences over public health issues,

levels of taxation, the role and size of government, and the relevance of international institutions such as the United Nations. In the early twentieth century, Canada was more conservative than a liberal United States. In the 1930s and 1940s, Canadians would have been astonished to imagine their country as more progressive than the America of Roosevelt's New Deal and Truman's Fair Deal. Now, it seems, particularly to Canadians, quite the opposite.

Interestingly, there are more differences within the two countries than between them. Both countries span a continent, and are made up of strong regions with well-established political and social views. As there are differences over same-sex marriage, for example, between Albertans and Quebeckers, there are differences between New Yorkers and Texans over capital punishment. Strong regional differences were reflected in the national elections in both Canada and the United States in 2004, attesting to significant value divides within each country. In the United States, the country was fairly evenly split between liberal and conservative states; in Canada, there was a division between east and west.

Canada and the United States share much in common. A belief in freedom, democracy, the free market, and equality of opportunity are deep and cherished principles as old as our nations themselves. For the last half century the two countries were drawn very close by great joint enterprises: defeating fascism in the Second World War and communism during the Cold War; creating the machinery of international organization and world order; building a strong collaborative economy in North America.

We share so much that we easily take one another for granted. While we are not the only peoples of the world to possess these ideals, we have been living them peacefully decade after decade.

The most important shared political value is our commitment to liberal democracy. Ironically, it is precisely this value that has so divided us, in terms of foreign policy, over the last two years. The way our two countries express this commitment has differed on occasion; however, Canadians are no less committed to the prospect of democracy.

This Assembly is worried today about how the portrayal of values is affecting the tone and tenor of relations, especially when high-blown rhetoric sounds like assertions of moral superiority on both sides of the border. We are witnessing something new in the relationship: the emergence on the American right of a troubling anti-Canadianism, albeit confined to strident voices in the media. It is not yet widespread, but it is not uncommon among some commentators, who regularly contrast American values with those of a soft and self-indulgent Canada. Nonetheless, this misguided impulse pales beside the disturbing and persistent currents of anti-Americanism in Canada. They are not new but have acquired a powerful voice in the shadow of George W. Bush's America. Canada's anti-Americanism thrives on images of a peaceable northern kingdom living apart from the belligerent giant to the south.

There is a danger on both sides of misunderstanding each other, and each other's purposes. It often arises by confusing difference in political culture and policy choices with a gap in fundamental values. Such a misunderstanding erodes the level of trust and collaboration in the relationship and makes the resolution of bilateral disputes more difficult. More troubling, it obscures the values and principles we hold in common that

have allowed us to build the most successful partnership in the world for a century and a half.

## **DEFENSE AND SECURITY**

It is time to strengthen the U.S.-Canada defense relationship against new threats. This Assembly strongly endorses the view that this cannot be done without a much greater Canadian defense budget increase than the government of Canada has been prepared to make in recent years. Greater commitment is needed for both the North American and the overseas dimensions of the defense bilateral relationship.

With regard to North America, we believe that the first step in improving bilateral defense and security cooperation is to conclude the debate in Canada over ballistic missile defense. It must be demythologized and placed in the proper context. Since 1957 the U.S.-Canada North American Aerospace Defense Command (NORAD) has been responsible for continental air defense and for warning our two countries of an impending nuclear attack. As the U.S. missile defense system has evolved towards operational capability, NORAD's future role has been called into question. If NORAD and the Canadians who work in it could not provide critical information to the missile defenders, the United States would have been obliged to restructure its aerospace defenses potentially at the cost of NORAD's meaningful existence. Canada and the United States risked losing the most important institution of their defense cooperation.

Decision makers in Ottawa understood this. At the same time they also understood the symbolic importance that missile defense had attained in Canadian public opinion. The NORAD role was preserved on August 5, 2004 when Ottawa quietly agreed to NORAD's providing the information to the missile defenders, much as it has long done for U.S. strategic nuclear forces.

As a result of this Ottawa's room to maneuver has been expanded with respect to missile defense. Not surprisingly, the temptation to resist coming to a decision has only increased, particularly given the strong opposition to missile defense in Canada, and the existence of a minority government after the election of June 2004.

This Assembly concludes that Canadian participation in the operation of land and sea-based interceptors systems designed to protect North America against missile attack is in the interest of both countries. A positive Canadian decision would end the debate, which has obscured more than it has enlightened. If Canadians do opt out of missile defense, essential defense and security cooperation will nonetheless continue when it comes to our shared continent.\*

We do understand that some Canadians and indeed some Americans worry that the missile defense system will lead to the weaponization of space. In part, this concern is a legacy of the earlier debate on the Reagan Strategic Defense Initiative, compounded by an adverse perception of the Bush administration's intentions. However, this Assembly wishes to underline that the system employs non-space-based land and sea interceptors and as such is closer conceptually to Canada's traditional role in North American air defense than to scenarios in the outer reaches of space. We further emphasize that there would be ample opportunity for either Washington or Ottawa to

bring NORAD to an end or to request its restructuring should the United States ever move to place weapons in space.

With this issue behind us, our two countries can turn to what is in reality the more pressing and useful question of transforming the North American defense and security architecture to meet the new strategic environment of the twenty-first century. This Assembly believes that it is not simply renewing NORAD in 2006 (when the current agreement expires) and adding a missile defense role that suffice. Rather, Ottawa and Washington need to consider whether NORAD's mandate should be expanded to include responsibilities for the joint maritime defense of our continent and for responding to trans-border emergencies such as a terrorist attack and natural disasters. The future of NORAD may be influenced by the establishment of Northern Command, the newest U.S. unified command with an area of responsibility that includes Canada, the United States, and Mexico, and the work of the Binational Planning Group, a team of U.S. and Canadian officers at NORAD that has been tasked to prepare contingency plans and recommend new ways of defense cooperation between the two countries. Given this, the question of land and maritime force contributions to North American defense and security will be accorded new salience and will warrant further close study.

While Washington has indeed given new priority to homeland security and defense, it needs to be clearly understood that the primary focus of the U.S. military has not changed; it is not at home but abroad, as Ottawa well knows. Canada chose to join the United States in the invasion of Afghanistan, which it saw to be clearly linked to the terrorist threat, but chose not to join the Iraq War. Canada also quickly deployed troops to maintain order in the failed state of Haiti. While the Canadian forces are interoperable with their American counterparts, Canada remains free to choose which U.S.-led operations it will join. Enhanced interoperability became a Canadian defense priority during the 1990s; we believe it remains a sound one, and, in fact, serves the interest of both our countries. Nonetheless, Canada does possess and will retain a sovereign right to decide in which foreign operations, U.S.-led or otherwise, that Canadian forces will participate.

However, we must strongly emphasize that the United States will continue to view its security in global terms, and other nations will look to the United States for leadership and protection. Therefore, an important component of the twenty-first century bilateral security and defense relationship will be the extent to which Canada can make useful military contributions beyond North America. These are likely to be small-scale contingencies that are consistent with Canadian military capacity and serve to meet Canada's long held national interests in global stability. Such operations will also enhance Canada's image at home and international standing. Thus, in addition to improving capabilities for the North American role, such as enhanced maritime collaboration, Canada must significantly improve its expeditionary capability with regard to strategic lift and logistics. This improved capability will strengthen Canada's ability to respond to international emergencies, including natural disasters at home or abroad. But beyond simply increasing defense spending, there needs to be a new vision on both sides of the border that encourages greater Canadian specialization. For example, combined Special Forces operations and other close military collaboration, such as within a binational brigade task force, might enhance the ability to deploy quickly and with great effect in a cooperative manner or in the context of broader multinational coalitions.



\* On February 24, 2005, Prime Minister Paul Martin announced that Canada would not sign on to the ballistic missile defense program.

## **ACROSS THE BORDER**

### TRADE/ECONOMIC PROSPERITY

Canada and the United States enjoy the world's largest bilateral trading relationship. This relationship was strengthened when the two countries entered into their first Free Trade Agreement (FTA) in twelve decades in 1988. Now North America as a whole faces growing economic competition from China, India, an enlarged European Union, and other parts of the world. In an era of expanding global interdependence and competition, both nations must hasten their efforts to rationalize cross-border commercial activity and remove almost all impediments to the free flow of goods, services, capital, and intellectual property, while at the same time emphasizing the preservation of national sovereignty. This Assembly recognizes that recurring trade irritants can sour the otherwise successful bilateral trading relationship. We hope, for example, that twenty years from now, softwood lumber (which for the past few years has captured headlines) will be a long-forgotten dispute much as the once persistent and troubling salmon and beer disputes are considered footnotes today.

Despite the increases in productivity that have strengthened the bilateral commercial relationship, this Assembly calls on our governments to reform current trade rules in order to keep our economies globally competitive. Bilaterally, and in some cases trilaterally with Mexico, the following reforms are becoming critical to our continued prosperity. Rules of Origin (established to determine eligibility of goods for the trade benefits under Canada-U.S. FTA and the North American Free Trade Agreement (NAFTA) should be updated to reflect current economic realities and where possible eliminated altogether. There should be reciprocal recognition of standards and of the testing of products. Regulations between jurisdictions in Canada and the United States should be standardized to allow companies on both sides of the border to enjoy the cost-savings from economies of scale in production for the largest possible North American market.

Recognizing that trade remedy laws are a fixture of the economic landscape, the NAFTA dispute resolution procedures should be improved to provide greater predictability and finality to disputes over alleged unfair trading practices.

Finally, this Assembly notes that the Canada-U.S. Open Skies Agreement is now ten years old and ought to be revisited to improve access and efficiency.

### BORDER MANAGEMENT

The security and efficiency of the U.S.-Canada land borders is now more important than ever for both countries. This Assembly recognizes the current border infrastructure is insufficient to support the expanded need for terrorist and other screening, while facilitating the ever-expanding flow of legitimate trade. At the busiest crossings, there are not enough lanes, bridges, tunnels, and room for inspections to adequately manage the current volume of traffic, let alone projected increases. A major

financial commitment to enhance infrastructure is urgently needed at the borders to meet these needs. Additionally, executive and legislative action is needed to minimize legal, regulatory, permitting, and other hurdles to effect infrastructure improvements as quickly as possible.

The Assembly also recognizes that the impending requirement by the U.S. government that travelers use secure documents for crossing the U.S.-Canada border has the potential to disrupt cross-border movement, resulting in economic costs to border communities. We call on both governments to consider ways to mitigate such disruption and recommend that both governments mount public affairs campaigns in a timely manner to fully inform their publics about the requirement. We further recommend that both governments aggressively explore alternative but equivalent arrangements that would lessen the already significant processing burdens placed on the land border.

In addition, this Assembly encourages continued planning by both governments to insure that the border will function efficiently and without serious effect on commerce in the event of any further terrorist attack on North American soil.

#### ENERGY COLLABORATION.

Our energy relationship is a particular success. The Canada-U.S. FTA guaranteed free trade in energy products and Canada is the United States' largest and most reliable supplier of energy. This fact has national security implications as well as long term commercial significance for both countries. The recent growth in energy trade would not have been possible without the Canada-U.S. FTA, which paved the way through the advent of NAFTA for North America to function as an integrated market for mutually beneficial trade in primary energy resources and electricity. This is a very critical time for North America as we have growing demand for electricity and natural gas, along with inadequate or antiquated infrastructure to meet those needs. The August 2003 power disruption in both countries illustrated the integration of our electricity systems, and the need for reinvestment in infrastructure and common mandatory reliability standards. This will require significant investment in energy resources throughout North America

#### ENVIRONMENTAL STEWARDSHIP

The most important current environmental issue between our two countries is Great Lakes watershed management. While progress has been made against eutrophication (dense algae growth) of the lakes, it has been slow against toxics. Meanwhile, alien and invasive species pose an increasing threat. The cooperation among Great Lakes states and provinces is a model for managing international environmental issues.

There have been concerted efforts by U.S. states, Canadian provinces, the Parliament of Canada, and the U.S. Congress to address the issue of water diversion from the Great Lakes. It remains, though, a persistent concern. This Assembly also notes that despite the fact that in 2003 the Canadian federal government, backed by all the provinces and territories, enacted legislation banning bulk water exports, the issue continues to be sensitive in both countries.

Our two countries have diverging approaches to the effects of climate change. The United States does not accept the Kyoto Protocol. If Canada actually implements limits on carbon dioxide emissions, the likely result will be relatively higher energy costs

in Canada combined with a movement of investment and jobs, and especially pollution, to the United States.

Actual implementation of the Kyoto Protocol by Canada could also have the following implications: development prospects of Alberta oil sands could be hampered; Quebec's opportunity to export its hydroelectricity could be enhanced; Saskatchewan might experience an increased demand for uranium as countries opt for nuclear power; Ontario's manufacturing industry could face significantly higher production costs.

The emerging consensus among scientists is that climate change is a serious threat to our planet and the world that our children inherit. As leading producers of environmental technologies and the world's leading automobile producers, the United States and Canada bear special responsibility to provide leadership and innovative solutions to this enormous challenge, as President Bush and Prime Minister Martin pledged in November 2004.

The United States' and Canada's relationship in energy trade and aspects of environmental cooperation should be encouraged by acknowledging and addressing the overlaps in these two policy sets.

We also recognize that the Northern latitudes will be a growing area of importance. The Arctic represents a nexus of energy, environmental, and economic issues that should receive integrated bilateral attention.

## **MANAGING THE RELATIONSHIP**

It is by now evident that Canada is losing influence in Washington. There are many reasons for this. The world has changed and Canada has declined in the international political hierarchy. On important issues in global affairs where the two countries can agree on the ends, there have been frequent clashes over the means. The United States is changing domestically and Canada finds itself on the margins of those changes. On important bilateral issues, Canada sometimes feels no one is answering the phone in Washington.

At the same time that Canada has lost clout in Washington, U.S. leadership's judgment post 9/11 has been met with skepticism and even hostility by Canadians. This might seem much less of a problem for Washington because of its great power, than for Canada. This Assembly believes that each country has a real interest in enhancing the influence it can gain in the other as a basis for better mutual understanding and strengthened cooperation.

There are two reasons why Washington should wish to better manage its relationship with Canada during the next four years. First, there remains the historic and fundamental problem and opportunity presented by sharing a continent. Second, despite the numerous arguments to the contrary, the United States neither chooses nor prefers a so-called unilateral approach to foreign policy. Working with other like-minded liberal democracies such as Canada has for more than fifty years been the cornerstone of U.S. foreign policy.

Canada obviously needs clout to pursue its hard issues in North America. As well, to the extent it is taken as an important player in the United States, its role in the world is enhanced. Both of these factors argue for increased efforts by Canada to make itself

better understood in the United States from the halls of Congress to the halls of academia, from Wall Street to Main Street.

An improved atmosphere of mutual confidence and accommodation at the level of leaders and ministers is the sine qua non of repaired relations. Below the political level, Canada and the United States are linked by a vast and largely effective network of formal and informal government arrangements at the federal, and provincial and state levels. The networks of collaboration and trust are a vital asset. The joint smart border initiative is a prime example of an extremely effective and successful de facto bilateral institution. It is a model of how to get things right.

But some institutions need to be renewed, some better supported, and some that have fossilized eliminated in the light of new challenges. Both governments need to refresh and strengthen institutions and consolidate emerging collaborative arrangements in areas of friction and promise from energy policy to continental defense to national security to border cooperation to trade dispute settlement to promoting regulatory cooperation. This will be challenging work for representatives of and citizens of both countries. Leadership at the legislative as well as presidential and prime ministerial level will be particularly important. Canadian premiers and U.S. governors meet regularly and play a major role in favor of cooperation regarding issues of common interest.

Given these challenges, safeguarding the relationship between the United States and Canada for future generations must be more than our shared economic interests and the fact that we live together on this continent. Cooperation in the past was based on facing together joint challenges from winning the Cold War to integrating the North American economy to creating the global machinery of world order. Both countries must unite again around great common enterprises grounded in friendship and common values.

## **CONCLUSION**

In this Assembly's view, much of the current breach in the Canada-U.S. relationship stems from the fact that the collapse of communism deprived us of common purpose, but did not result in the easier, safer world both countries anticipated. We live in extraordinary times. Remarkable advances in communications and information technology and life sciences coexist with terrible poverty, deprivation and despair in much of the world. The real danger of long-term environmental degradation and climate change, the lethal threats of global terrorism and inadequate supervision of nuclear weapons, and the absence of peace in the Middle East are challenges for the future. Ultimately, the U.S.-Canada relationship will flourish, and the world will benefit, if our countries work together to address the most daunting global problems.

## **THIS ASSEMBLY'S MAJOR FINDINGS**

- 1) At a time when Canada and the United States need each other more than ever, each has diminished standing in the other's country.
- 2) The leaders, public, and media of both countries must approach and explain areas of friction in the context of our long history of friendship and cooperation as we face a future of growing common global challenges and irreversible bilateral interdependence.
- 3) There is no fundamental divergence of values between Canada and the United States, but a perception of growing divergence will jeopardize the national interests of both countries.
- 4) Troubling outbursts of anti-Americanism in Canada have been met by some nascent anti-Canadianism in the United States.
- 5) We reject the notion of a single "grand design" that can solve the problems of U.S.-Canada relations, but we strongly urge steady and determined efforts by governments and citizens towards a more prosperous and secure North America.
- 6) Canada should agree to participate in ballistic missile defense; our two governments should review and redefine NORAD for the twenty-first century to reflect new aspects of continental defense, including air, space, missile defense, and maritime and land contingencies.
- 7) Canada must improve its global force projector capacities; both countries should explore the possibility of new joint projects and units aimed at peacemaking, peacekeeping, and humanitarian relief.
- 8) Domestic counter-terrorist efforts and the land border will require intense attention for many years to achieve the vital goals of greater security and facilitated movements of Americans and Canadians and their products.
- 9) Both governments should consider ways to mitigate the disruptions that may result from the impending U.S. requirement that travelers use secure documents, and mount public affairs campaign to educate their publics about the requirement.
- 10) Despite different decisions on the Kyoto Protocol, efforts need to be intensified on a continental approach to energy development and carbon dioxide emissions.
- 11) Governments must not lose sight of the vision and promise of a truly integrated and productive continental economy, boldly exploring new areas of collaboration bilaterally and, in some cases, trilaterally, for example in the area of energy. Both

governments should reform current trade rules in order to keep our economies globally competitive.

- 12) Building on our strong foundation of formal and informal collaboration, sustained effort is required to review, support, and, in some cases, terminate institutions that frame our exceptionally valuable relationship.
- 13) The challenge for national business leaders, legislators, premiers, governors, and the stewards of the relationship is greater than it has been in over a generation.

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