



IN THE NATIONAL INTEREST

Canadian Foreign Policy and the Department of Foreign Affairs and International Trade, 1909-2009

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**ENGAGING
THE UNITED STATES:
THE DEPARTMENT OF
FOREIGN AFFAIRS AND
U.S. POLICY, 1982-2005**

Stephen J. Randall

On this the one hundredth anniversary of Canada's Department of Foreign Affairs and International Trade, it is appropriate to review the role that the Department has played in meeting the political, economic, and cultural challenges of dealing with Canada's most important bilateral relationship, the United States. Between the governments of Liberal prime minister Pierre Elliott Trudeau and Conservative prime minister Stephen Harper, it is difficult to imagine any major Canadian policy issue that does not have some degree of relevance to the relationship with the United States. This stands in stark contrast to United States policies where Canada is rarely more than a faint blip on the radar screen. That said, it is remarkable the extent to which the relationship has often been neglected and even mis-managed because of a lack of focus on, or attention to, what has long been Canada's most important, even if uncomfortable, relationship.

On the one hand, it may seem inappropriate to single out one federal department for consideration, since it is evident that virtually every government department and agency, including the Prime Minister's Office

(PMO) and the Privy Council Office (PCO) and even most provincial governments, has direct engagement with its counterpart south of the forty-ninth parallel. The PCO, for instance, has for some time played a direct role in the bilateral relationship. The national security advisor in the PCO provides advice to the prime minister on security issues; the foreign policy advisor in the PCO not only provides a coordinating role among the federal departments and agencies on bilateral relations but also communicates directly with White House officials and the United States embassy in Ottawa.¹ The daily contacts, often at a very personal level, between officials in those departments and agencies with their counterparts in the United States have reinforced the notion articulated by, among others, George Haynal, former assistant deputy minister for the Americas, that relations with the United States are in many respects not foreign relations but rather “inter-mesticity.”² The role of the federal government in determining bilateral policies is further complicated by federal–provincial relations and the fact that in a number of areas important to the relationship with the United States the provinces are actually sovereign, most notably with respect to natural resources.

The relative importance of the Department of Foreign Affairs and International Trade in shaping the bilateral relationship has varied over the years. In 1982 the Department of External Affairs, as it was called until 1993, underwent a reorganization in part to address the bilateral relationship. The role of the Department in managing these intercontinental relations, however, has to a considerable degree depended upon the importance that the prime minister placed on relations with the United States, the personal relationship between the prime minister and the American president, and the ways in which the prime minister related to the foreign minister and the Department as a whole. In the final analysis it is only the prime minister who “manages” the relationship with the United States; the rest of the actors, important as they are, play only supporting roles, frequently off stage.

Former Canadian Ambassador to the United States Allan Gotlieb captured the complexity of these bilateral contacts most effectively when he wrote in his memoirs: “The relationship is driven by hundreds of institutions and organizations in both the national and provincial capitals, each interacting with points of contact south of the border.” Gotlieb also

underscored the tendency in External Affairs to try, usually without success, to control all aspects of foreign policy, including the activities of international units in other functional federal departments. His own perspective, Gotlieb suggested, was shared during his time in office by the PCO and Treasury Board; that is that there was a need for more effective management of the bilateral relationship.³ Thus, the history of DFAIT in shaping and implementing policy toward the United States since the early 1980s is an uneven one. The Department may at times have claimed sovereignty in shaping the policy relationship, but rarely has it succeeded in making that claim a reality.

In 1982, there was no inter-departmental cabinet-level committee responsible for coordinating policy toward the United States. That year, Michael Pitfield, clerk of the privy council, initiated a reorganization of a number of the executive branches that impacted External Affairs. The reorganization included a merger of the Trade Commissioner Service and some policy branches from the Department of Industry, Trade and Commerce into the Department of External Affairs. The result was that External ended with two ministers, one for External Affairs and a new minister of International Trade. The result was considerable confusion over jurisdiction, duplicated reporting structures, and morale problems in the Department. Derek Burney, then assistant under-secretary of the Economic Affairs Bureau, observed in his memoirs that in 1982 there were actually seven separate divisions within the Department that had some responsibility for relations with the United States; and those divisions reported to three different assistant deputy ministers, two different deputy ministers, and two different ministers. Yet, he also observes – and this was crucial for the development of policy during the Mulroney Conservative government – that the reorganization gave the Department of External Affairs sole responsibility for trade policy, even if that sovereignty was at times challenged by the Department of Finance and the Department of Industry.⁴

Between the reorganization in 1982 and September 1983, when he was appointed assistant deputy minister for the United States, Burney and the Economic Affairs Bureau conducted, in consultation with other relevant federal departments, an exhaustive review of Canadian trade policy. Cabinet followed up on this by establishing a task force to cautiously approach the United States on possible sectoral agreements. While this did

not achieve any immediate results, it did establish the basis for the more comprehensive free trade negotiations that followed. Once Burney was assistant deputy minister for the United States, he set his mind to bringing together the various divisions that had a U.S. focus to develop a coherent set of policies on trade policy and promotion, and political relations. The bureau also had primary responsibility for the Canadian embassy in Washington, as well as all the Canadian consulates and public affairs in the United States, and had coordinating responsibility with other federal departments on issues such as the environment, of which acid rain was the most contentious concern, and on energy and transportation matters.⁵

The Mulroney Years, 1984–1993

When Brian Mulroney and the Progressive Conservative party came to power in 1984, relations with the United States were clearly under considerable stress. There were differences of perspective between the Canadian and American governments on a range of issues, from energy and acid rain to the extraterritorial application of United States law to Canadian subsidiaries operating in Cuba or selling oil field equipment to the Soviet Union. Once in office, Mulroney also sought to alleviate some of the tensions that had emerged with the United States late in the Trudeau government over the National Energy Program and Trudeau's peace initiative. In addition, the Trudeau government's approach to arms reduction had compromised the good personal relationship between Secretary of State for External Affairs Allan MacEachen and Ronald Reagan's Secretary of State, George Shultz. Mulroney thus had to mend personal as well as policy fences. As a result, his commitment to strengthening the relationship pulled the Canadian bureaucracy in the same direction.⁶

Allan Gotlieb, serving as under-secretary of state for external affairs from 1977–81 and as ambassador to the United States, 1981–89, was one of two individuals who had a remarkable impact over the next decade in refocusing the attention of the Department – and one could also argue the Conservative government of Prime Minister Brian Mulroney – on the United States; the other was Derek Burney. Gotlieb commented at the time of Burney's appointment as the assistant deputy minister in charge of

United States affairs that he would be “more aggressive than his amiable predecessors,” and that Burney would also be more effective “provided he restrains himself from rolling over and squashing people.”⁷ In the fall of 1985 Burney was promoted to deputy minister as one of two deputies at External Affairs. In this new role he had overall responsibility for relations with the United States as well as with Asia. He remained in that position until Prime Minister Mulroney appointed him chief of staff of the PMO in February 1987, where his main task was to bring order out of chaos.⁸

By the time that Burney moved to the PMO, a range of offices in the Department had some degree of responsibility for relations with the United States. At the peak of the free trade debate and implementation, there were no fewer than seven branches and bureaus in the Department dealing directly with United States issues. In addition to the United States Branch, under Donald Campbell as senior assistant deputy minister, there was also a United States Relations Bureau, headed by a director general, and a United States Trade and Investment Development Bureau (established in 1983) also headed by a director general. In 1987, the Department established the United States Trade and Economic Relations Bureau (which replaced the Trade and Investment Development Bureau) and the United States Trade, Tourism, and Investment Development Bureau, headed by a director general. To round out the Department, there was the Free Trade Policy and Options Branch, under an assistant deputy minister, the Free Trade Management Bureau, and the Free Trade Policy Bureau. The two most pressing concerns in the bilateral relationship in the 1980s were free trade and acid rain, and the importance of both issues tended to drive the organizational structure of the Department.

This restructuring within the Department of External Affairs was a clear reflection of the increased emphasis on the United States and the critically important free trade negotiations. It was also, one could argue, a reflection of the fact that relations with the United States had become a political and personal priority for the prime minister. In 1989 Burney succeeded Gotlieb as ambassador in Washington, where he continued to build good personal relations with American lawmakers, the hallmark of the Gotlieb years. As much as one may be reluctant to credit individuals within any complex political and bureaucratic structure with having had a transformational impact, it is arguable that these two men did precisely

that in the course of the 1980s and early 1990s. Their success came about in part because they had a clear vision of what needed to be done, how to do it, and who needed to be influenced. Although both were professional civil servants and knew how to work as bureaucrats within the system, they were also political beings who understood the importance of connections in both Ottawa and Washington. They were also confirmed bilateralists and considered themselves foreign policy realists.

The impact of Gotlieb and Burney on policy development toward the United States in the 1980s and early 1990s is particularly remarkable since they differed to some degree from Joe Clark, who served as the secretary of state for external affairs from 1984 until 1991. Clark was hampered by the fact that he did not have the personal connections in Washington comparable to the relationship that had existed between Allan MacEichen and George Shultz, who had been friends at university. Clark also pursued two areas of international relations that were counter to the policies of the Reagan and Bush administrations, in part because he was more closely allied philosophically with the multilateralists in the Department and more sensitive to the views of the NGO community on Canadian policy.⁹ One major divergence with the United States was Canada's vocal opposition to the apartheid regime in South Africa, and the imposition of economic sanctions on the South African government, a policy opposed by the Reagan administration. The second issue was Nicaragua, where Clark opposed American military intervention, advocated a negotiated settlement, supported the initiatives of the Contadora Group, and accepted refugees from El Salvador and Guatemala.¹⁰ Canadian policy on both issues was an irritant in Washington at precisely the time that the Mulroney government was seeking to strengthen its relationship with the United States. Clark was also initially seen as cool to the free trade initiative with the United States, which was clearly the main policy initiative of the decade. This set him apart from the direction in which Gotlieb, Burney, and ultimately the prime minister, wanted to go.

Gotlieb expressed concern at the time that Canada appeared to be running a "two track foreign policy," one under Clark, which sought to distance Canada from United States defence policies, and the other under Mulroney, which was more realistic and practical.¹¹ One result of this disconnect, at least from the perspective of Clark's critics, was that the bilateral

relationship was increasingly being managed primarily by the prime minister, who developed a close and effective personal and working relationship with President Reagan. In the 1985 foreign policy review under Clark's leadership, the references to the United States were ambiguous. On the one hand, the document stressed that "there is scarcely an area of Canadian National Life not affected by our relationship with the United States," and the report called for a "new, constructive relationship." At the same time the report contained expressions of concern about the asymmetry of the bilateral relationship, as well as a tendency toward protectionism in the United States and what was considered the "increasingly segmented nature of the U.S. government system."¹² In his memoirs Mulroney is more positive in his assessment of Clark's role than were either Gotlieb or Burney, noting for instance that in late 1986 with the growing concern over the acid rain issue, Clark and trade minister Pat Carney had organized a high level "think in" on Canada–United States relations. The meeting, which included Gotlieb, Burney, and Donald Campbell among others, was the first of this nature to have taken place in some time. The recommendations coming forth advised the prime minister to press President Reagan to include a strong endorsement of free trade in his state of the union address and that the prime minister also send a personal letter to the president on acid rain. Both initiatives proved successful.¹³

In Washington, Ambassador Gotlieb was in the process of revolutionizing the nature of Canadian diplomacy in the American capital with what has come to be known as "public diplomacy." He was convinced that it was imperative to build profile, relationships, and rapport – not just with the executive – but with members of Congress, and especially key committee chairs, if Canada was to achieve its foreign policy goals. He also recognized the extent to which the United States Congress often used "domestic laws to achieve foreign policy goals." "Foreign interests," Gotlieb later wrote, "are often as affected by U.S. domestic legislation as by its foreign policy," and as examples during his years in Washington he cited the Motor Carrier Act of 1980, the Bus Regulatory Reform Act, the ban on asbestos by the Environmental Protection Agency, the 1988 Omnibus Drug Bill, and the limitations on the size of lobsters in interstate commerce. Gotlieb's view was that during the Reagan presidency on issues that were within the clear control of the administration, such as arctic sovereignty or defence

procurement, power resided in the National Security Council. For all other issues it was essential for the embassy to work with Congress.¹⁴

In 1984, Burney's U.S. Branch prepared a comprehensive memorandum for cabinet on the management of the relationship with the United States. The focus of the memorandum was, not surprisingly, a repudiation of the multilateralists and third option advocates in External Affairs, and it highlighted the damage that had been done to the bilateral relationship resulting from the lack of a clear and comprehensive policy framework. The review of Canadian policy toward the United States coincided with what Gotlieb described as "the most exhaustive White House inter-agency review of U.S. policy towards Canada in Washington's memory."¹⁵ With Burney still at External, Prime Minister Mulroney put him in charge of all policy preparations for the official visit of President Reagan to Quebec City in March 1985, what came to be known as the Shamrock Summit. The key issues for the summit from the Canadian perspective were trade and investment, the environment, with a focus on the tensions around acid rain, and defence production. At this stage there was no indication that the Reagan administration was prepared to address the Canadian concern with acid rain, but Gotlieb vigorously lobbied White House officials to turn that around, gaining some support from George Shultz, National Security Adviser Robert McFarlane, and presidential aide Michael Deaver. The announcement at Quebec City of the appointment of two special emissaries to study the issue of acid rain was initially little more than a face-saving gesture, yet it ultimately paved the way for a significant shift in United States public policy with the passage of the Clean Air Act by Congress in 1990.¹⁶

The Mulroney and Reagan governments struggled to address the issues of acid rain and arctic sovereignty in the mid-1980s but, important as those issues were, it was the free trade initiative that brought the Department to the fore. Clark was appointed to chair a special cabinet committee on trade negotiations, and Simon Reisman was appointed chief trade negotiator in the newly established Trade Negotiation Office, where Michael Hart and Bill Dymond played key roles. This is not the place for a detailed review of the free trade negotiations, but it is evident from the history of this period that it was not only the effective politicking and diplomacy in Washington by Gotlieb and Burney in particular, but also the personal relationship

between Mulroney and Reagan that finally resulted in Reagan administration officials moving the American machinery forward. The key players in the final stages not only came from External but also included Michael Wilson from Finance and Pat Carney from International Trade. Donald Campbell played a lead role in External, and Burney, working from the PMO, headed the delegation and also took responsibility for the preparation of the final legal text.¹⁷

The mid-1980s through the end of Derek Burney's term as ambassador to the United States (1989–93) represented the apogee of United States–Canada relations as well as the influence of the Department of External Affairs on that relationship during the post-1982 years. As ambassador, Burney had the advantage of having developed close personal relationships in the United States administration and Congress prior to his appointment, although by the time he settled into the embassy George H.W. Bush had succeeded Ronald Reagan. Burney also had the advantage of the prime minister's personal confidence. As Burney observed in his memoirs, "access is the lifeblood of diplomacy."¹⁸ Burney indicated that he was also fortunate to have had a number of highly talented External Affairs officers in the embassy, including Len Legault on trade and economic issues, Paul Heinbecker as the first head of the political section, and Jonathan Fried as congressional liaison officer. As with Gotlieb's tenure, Burney focused much of his attention on Congress.¹⁹

In spite of the major bilateral focus, neither the Department nor the prime minister were exclusively concerned with the United States. There was also increased attention paid to broader hemispheric relations, to some extent a natural extension of closer association with United States interests. It was the Mulroney government that brought the country into the Organization of American States in 1989, after decades of opposition or indecisiveness. Within External Affairs, there also appeared to be interest in exploring new directions in Canadian policy and that transition bridged the Mulroney and Chrétien governments. As engagement with the hemisphere increased, "a small band at external affairs launched a policy review which would provide the rationale for a radical shift in Canada's hemispheric relations."²⁰ Some, including then-foreign affairs critic Lloyd Axworthy, were concerned that involvement in the OAS would limit Canada's latitude of action and link Canadian policy too closely with American

policy. Axworthy lamented: “We’re seen as a little red wagon tying itself to the big U.S. engine.”²¹ When Canada, later that year, was the only OAS member to endorse the American intervention in Panama to remove Manuel Noriega, Axworthy’s concerns appeared to have weight. Regardless, by mid-1989, Richard Gorham, Canada’s long-time observer to the OAS, and Louise Frechette, a former ambassador to Argentina, had drafted a strategy paper which voiced a radical notion in the nation’s strategic history: Canada, it declared, is “a nation of the Americas.”²² The State Department was also turning towards the hemisphere, thus a Western Hemisphere realignment was considered by many in Canada to be a prudent shift.²³

The Chrétien Years, 1993–2003

The 1980s restructuring of the Department to reflect a more concentrated focus on the United States did not outlast the Gotlieb and Burney years, or for that matter the Mulroney Conservative government. Nor did the triumph of the realists/bilateralists within the Department on the free trade issue endure long beyond the Conservative government. Several factors appear to have accounted for the relative decline in attention to the United States files. One was the fact that the new prime minister, Jean Chrétien, had less interest in the bilateral relationship and fewer personal connections south of the border than had his predecessor. A second factor was that, having criticized the free trade agreement while in opposition, it was politically awkward for the new Liberal government to appear to cozy up to the United States, not least because the newly elected Democratic President Bill Clinton was just as strongly committed to free trade. Once in office, the Chrétien Liberals became silent on the issue and followed Mexico into the trilateral agreement with barely a whimper. Furthermore, as George Haynal has pointed out, following the North American Free Trade Agreement, there was no major issue for DFAIT to rally around. Allan Gotlieb later wrote that the Chrétien government gave strong support to the Canadian ambassador and his staff in Washington during the Liberal years in power, but with free trade a reality and with an agreement already in place on acid rain there did not seem to be the same

sense of urgency about getting the relationship right that had characterized the Mulroney years.

While Chrétien did not purposefully set out to antagonize the United States, he simply chose not to make the relationship a priority. The prime minister had a good working relationship with President Clinton but avoided the kind of personal camaraderie of the Mulroney–Reagan and Mulroney–Bush relationships. During the 1993 election campaign, Chrétien vowed that he would not “make friends with the president of the United States” and was determined that relations would be more distant and dignified.²⁴ In his memoirs Chrétien indicated that his “ambition [was] not to go fishing with the president of the United States” and that he did not want to look as though he was “rushing to ingratiate himself” with Clinton. The former prime minister claims to have told Clinton it would be good for both if the two kept some distance and that “if we look independent enough, we can do things for you that even the CIA cannot do.”²⁵ While many felt the Chrétien era once again reignited tensions between the multilateralists and bilateralists in Canadian foreign policy, others believe this tension is not the most accurate way to categorize philosophical differences within the Department.²⁶ Regardless, the Chrétien years were not the most harmonious in Canada–United States relations, although the bilateral relationship did not reach crisis levels until after 9/11. Where tensions existed between the two countries, they tended to be at the political rather than bureaucratic level, where normally it was business as usual.

During much of the Chrétien years there appeared to be no single individual with the drive, influence, and focus on the United States of either an Allan Gotlieb or a Derek Burney. Indeed, the dominant figure in Canadian foreign policy during the Liberal years was Lloyd Axworthy, a committed and pro-active multilateralist with a much broader international agenda for Canada than simply minding the bilateral relationship. During his tenure as foreign minister from 1996 to 2000, he pursued policies designed to promote human security and soft power; he also appealed to the international community as a whole to engage in support of a range of multilateral initiatives, some of which ran directly counter to American policies. While many were quick to criticize both Chrétien and Axworthy for alienating the United States, others argued

that the prime minister and foreign minister were in fact well-liked and respected in Washington.²⁷

Within the first few months of 1997, about a year after Axworthy took over the Foreign Affairs portfolio in a 1996 cabinet shuffle, there was a substantial shake-up to the structure of the Department. The United States Branch, which throughout the 1980s had held court along with other geographic branches, was disbanded and replaced by an Americas and Security Branch, which had responsibility for the entire Western Hemisphere. While there was indeed a United States Bureau within the Americas and Security Branch, it soon became clear that this portfolio was too broad to give due attention to Canada's most important ally. As assistant deputy minister for the Americas Branch from 1998 to 2001, George Haynal turned his attention to the Summit of the Americas process to ensure its success at a time when Canada's influence was high in the western hemisphere and when External Affairs had "become the driving force behind a brisk new hemispheric cheerleading industry."²⁸ Canada spent a million dollars establishing the Canadian Foundation for the Americas, installed its first military attaché in Mexico City in 1993, began teaching Spanish language courses at the Canadian Forces Staff College, and External Affairs funded a conference in an effort to promote "The Future of the Inter-American Security System."²⁹ Indeed, the United States was no longer fashionable and, as Haynal describes, "sank back into the mud."³⁰

The United States ambassador to Canada during the early years of Chrétien's first term, James Blanchard, suggested that, despite the chill in Canada–United States relations, policy conflicts between the two countries were the exception. Of course there were tensions, but when they did happen, "they tended to get all blown out of proportion."³¹ According to Blanchard, who was in Ottawa from 1993 to 1996, Cuba and the controversial Helms-Burton legislation passed in the United States was the only truly divisive bilateral issue. Lloyd Axworthy in his memoirs called the policy decision by the Clinton administration, under pressure from Senate conservative Republican Jesse Helms, a "blatant incursion of American extraterritorial jurisdiction into other countries' economic relations with Cuba." Axworthy was proud of the fact that "[Canada] stood up to American demands and in fact led the international fight against this attempt to impose U.S. policies on the rest of the world."³² Blanchard recalls how at

a Washington dinner for him and his wife, Janet, the Canadian ambassador, Raymond Chrétien, spoke at length and with passion about the “evils of Helms-Burton.” Blanchard commented that the two dozen American officials present at the dinner were stunned: “What the hell is he talking about? And why’s he ranting about it?”³³ Jean Chrétien, in his memoirs, has suggested that one of Raymond Chrétien’s greatest diplomatic achievements as Canadian ambassador in Washington was convincing Bill Clinton to delay the application of American sanctions against Canada over trade with Cuba. Blanchard, however, downplays both the American initiative and the Canadian response to it: “If we didn’t have the difference over Cuba, the Canadian government would probably have to invent something else [...] From time to time, Canadian politicians have to show their people that they’re overseeing a sovereign nation, not just rubber-stamping the policies made in Washington.”³⁴ This, of course, is at the heart of the ongoing debate between the realists and romantics in Canadian foreign affairs.

Cuba aside, the Canadians concurred that the “number of controversial files [Raymond Chrétien] had to handle each year actually decreased from 120 to 10 during his time in Washington.”³⁵ However, some of those minor tensions became mired in rhetoric and threatened to quickly become rather intractable and tricky to manage, and, as Blanchard stated in his memoirs with respect to ongoing and deeply rooted agriculture and fishing disputes, “nothing was likely to happen, I concluded, if it didn’t happen at the top.”³⁶ This statement is reflective of how the relationship between the prime minister and the president dictates the tone of Canada–United States relations.

Canadian political scientist Kim Nossal once stated that “on numerous occasions, Canadian policy has been determined, not directly by the American government, but by Canadian assessments that a divergent policy on an issue would not be worth the damage such a divergence would likely cause Canadian–American relations.”³⁷ Nossal’s caution did not appear to be a concern to Lloyd Axworthy while he served at the helm of DFAIT. How senior officials in the Department perceived that orientation, however, is more difficult to determine. Donald Campbell, who served as deputy minister for most of Axworthy’s tenure, was well known for his recognition of the importance of Canada’s relationship with the United States. The ministers of International Trade, whose appointments

overlapped with Axworthy's at Foreign Affairs, were not all bilateralists. Roy Maclaren (1993–96) was Europe-oriented; less so with Art Eggleton (1996–97), Sergio Marchi (1997–99), and Pierre Pettigrew (1999–2003).

Axworthy's interest in hemispheric engagement was reflected in his recruitment of Latin American specialist Brian Stevenson to serve as a special advisor in the Department, first on trade issues and then on foreign policy. Indeed, Axworthy's stances on certain issues, which had a decidedly Pearsonian ring to them, such as Canadian support for the International Criminal Court, were roundly derided in the United States. His January 1999 visit to Fidel Castro's Cuba, despite American efforts to further isolate the Communist regime, and his clear intentions to utilize Canada's seat on the United Nations Security Council in 1999–2000 to attempt to limit the veto powers of the five permanent members, including the United States, also did not make him a universally popular figure with Canada's neighbours to the south. A *New York Times* editorial stated in 1999 that, while Axworthy was "the most successful Canadian Foreign Minister in years," he also made waves and was "the one who has most antagonized Washington" by refusing to declare the United States 'the indispensable nation' and promoting what many considered anti-American initiatives.³⁸ Of course, denying these charges, Axworthy nonetheless ruffled feathers both in the United States and within bilateral circles in Canada. Senior American diplomats argued that Axworthy lacked an understanding of the different responsibilities each country had on the world stage, and University of Toronto political scientist John Kirton suggested that Axworthy's soft power was really foreign policy "on the cheap" and asked whether it was, "a bit of a Don Quixotic foreign policy?"³⁹ It was of little surprise when Canada's *National Post* raised the point that Axworthy had "a romantic progressivist vision of Canada as a multicultural coalition against the rich and greedy West, [but] he has forgotten that Canada is a part of the West."⁴⁰

The debate about the change in tone in the Canada–United States relationship aside, Axworthy achieved great success with the Ottawa Treaty to ban anti-personnel landmines, and for his role he was nominated by United States Senator Patrick Leahy for the Nobel Peace Prize. This policy initiative became the hallmark of the much-debated concept of "human security" and is one that diverged from the position of the United States, as

well as many other states with key global strategic concerns, such as India along the Pakistani border, China, and Russia. Axworthy's initiative has been lauded as "the story of how a tiny but determined band of outsiders took on and defeated some of the world's great powers at their own game – diplomacy – says a lot about the increasing role of public pressure in world affairs."⁴¹ It also says a lot about Lloyd Axworthy's argument that, although the United States may be the most influential and powerful nation, "countries like Canada can set the pace."⁴²

During the Axworthy years as foreign minister, the Department continued to suffer from both budget constraints and a lack of the kind of restructuring that would have given higher profile and attention to the United States agenda. The assistant deputy ministers who directed the Americas Branch between 1996 and 2005, Michael Kergin, George Haynal, and Marc Lortie, were all strong individuals who viewed the United States as critical to Canadian interests, but their portfolio was too broad by any reasonable measure to ensure a focus on relations with the United States. Nor was the focus on the United States that had characterized the Mulroney, Gotlieb, and Burney years any longer reflected in the organizational structure of the Department.

Financial constraints in the 1990s further weakened the Department. While the prime minister came to rely heavily on DFAIT for assistance to prop up the country's flagging economy with its controversial but high-profile "Team Canada" trade missions, which "crossed the globe in search of markets and investments," it was not immune from massive cuts in government expenditures. Between 1988/89 and 1998/99, DFAIT's budget was reduced in ten separate cuts by a total of \$292 million.⁴³ The impact on the Department was far-reaching; however, Lloyd Axworthy still perceived the time as a period of opportunity as rigidities in the alliance system were loosening, and the new administration under Clinton seemed open to multilateral thinking. In his words, "all countries were looking for new markers to steer by" and Canada had an opportunity to make its mark.⁴⁴

With the end of Axworthy's tenure as foreign minister in 2000, there was evident recognition by the Liberal government that it would be prudent to pay more attention to Canada's southern neighbour. John Manley's appointment as foreign minister appeared to represent a shift in focus and

was a clear signal to Washington of a more positive Canadian orientation toward the United States. Manley's high-profile political stature, combined with his former role as minister of industry, made him an attractive personality to work with his American counterparts on practical issues. Even in the immediate aftermath of 9/11 and the emergent strains in the bilateral relationship, Manley dealt effectively with both Secretary of State Colin Powell and the newly appointed head of the Department of Homeland Security, Tom Ridge.

The crisis of 9/11 galvanized not only Foreign Affairs but all Canadian federal departments into sharpening their attention on the United States, but some changes were already underway before the terrorist attacks. The departure of Raymond Chrétien (1994–2000) from Washington following George W. Bush's election was inevitable after the ambassador made an indiscreet comment that implied that Canadians would prefer former vice-president Al Gore in the White House. The appointment of career civil servant Michael Kergin (2000–2005) from Foreign Affairs to replace Chrétien as ambassador was another signal that the Canadian government wanted stability in the bilateral relationship, as was the appointment of former Deputy Minister of Industry Peter Harder as deputy minister of foreign affairs and international trade (2003–2007).⁴⁵

Despite all the focus south of the border, as late as 2001–2002, the words “United States” did not appear in the organizational structure of DFAIT. The United States was still subsumed under the responsibility of an assistant deputy minister in the Americas branch, paralleling Asia-Pacific and Africa, Communications, Culture and Policy Planning, and Corporate Services, Passport, and Consular Affairs, all of which reported to the deputy minister for international trade and the deputy minister of foreign affairs. By the following year, the branches also reported to an associate deputy minister of foreign affairs, taking them yet one more step away from the minister and from power. That structure did not change until 2005, when Peter Harder successfully pressed for the establishment of a North American Branch and a North American Bureau, with Peter Boehm as the first assistant deputy minister of the branch and William Crosbie as the director general of the bureau. In 2006 the Department added a North American Commercial Relations Bureau, with Deborah Lyons as director general.

Jean Chrétien's retirement from politics in 2003, to be replaced by Paul Martin in December of that year, brought to the prime minister's office an individual with whom both the Canadian business community and the Washington establishment could feel more comfortable. The fact that Martin believed the bilateral relationship needed immediate attention was reflected in his prompt establishment of an interdepartmental cabinet-level committee to coordinate relations with the United States, a committee that met weekly and one that he personally chaired. In addition, the PCO became quite operationally involved in the U.S. relationship, with the result that DFAIT was not the primary driver on policy.

Reflective of the increasing importance of the United States was the release of a guide for Canadian public officials in 2004 entitled, *Action-Research Roundtable on Managing Canada-U.S. Relations*. This report was chaired by the deputy minister for Transport Canada, Louis Ranger, and involved the participation of many other Canadian government departments and agencies, including Foreign Affairs. While not impacting policy specifically, the intent was to better understand the mechanisms and management of the bilateral relationship with the recognition that the United States has often approached Canada-United States relations with a different set of assumptions and priorities. According to the report, Canadians dealing with their counterparts in the United States must recognize, appreciate, and comprehend American perceptions of Canada and its place in its own strategic priorities, as well as the enormity of the United States political machinery and the expansive role played by Congress in policy development. Clearly, the Canadian government realized that it had let its relationship with its southern neighbour falter and that "the growing number of actors involved in the cross-border relationship requires strategic coordination in the pursuit of Canadian interests."⁴⁶

In 2005 the Martin government produced a new International Policy Statement, setting directions for Canadian defence, diplomacy, development, and commerce. In his introduction to the document on diplomacy, Foreign Minister Pierre Pettigrew stated clearly: "Our priorities include the management of our relations with the United States, which are key to the security and prosperity of Canadians." At the same time, the document made the usual genuflection to Canada's global role: "we intend to pursue," Pettigrew wrote, "a new multilateralism that emphasizes effective

global governance, to strengthen Canada's regional networks and to re-configure our representation abroad to reflect the shifting distribution of global power and influence.²⁴⁷

The first major section of the document on diplomacy focused on the North American partnership, although that title masked the primary focus on the relationship with Washington. The subheadings included: "Partnership with the United States," "Modernizing Canada-U.S. Security," "Cooperating on Shared Global Objectives," "Environmental Partnership," and "Getting our Message Across," before turning to the third leg in the North American relationship, Mexico. Building on the 2001 Smart Borders Declaration, the security framework that was part of Canada's 2004 National Security Policy, and the 2002 establishment of a bi-national planning group, the 2005 policy document concentrated on modernizing the Canada-United States security relationship in response to the perceived global terrorism threat. The specific initiatives and issues identified included counterterrorism, the renewal of NORAD, and modernizing the bilateral approach to environmental challenges. The policy statement also committed Canada to working with the United States on a range of more global initiatives, including the transformation of NATO to make it a more effective instrument against terrorism and in support of peacemaking operations, promoting democracy through the Summit of the Americas process, supporting nuclear non-proliferation, and addressing new health threats. The statement also identified the goal of advancing Canadian interests in the Arctic, a region that offers opportunities for both collaboration and conflict with the United States.

The Department of Foreign Affairs and International Trade has, over the years, appropriately sought to implement policies designed by the elected officials who have formed a series of Canadian governments. At times, members of the Department have had a significant impact influencing the direction of policy, the most prominent example in the years since 1982 being the free trade negotiations with the United States and subsequently with Mexico. At other times, the Department may have seemed to have been slow to respond to challenges, pushed aside by competing departments, or bypassed completely by the prime minister. Yet, for all the frustration of those who might wish the Department to always be the driving force behind foreign policy, it must be remembered that in the Canadian

system of government it is the prime minister and cabinet who are given the mandate to govern.

The debate over the extent to which relations with the United States should be Canada's primary foreign policy focus, however, continues to elude consensus. Writing in *The Globe and Mail* in early 2008, former Foreign Minister Lloyd Axworthy argued that: "Ottawa has been so preoccupied with keeping in sync with these Washington missteps that we have lost sight of the global-sized tectonic changes that are altering power relationships. We have ignored the looming risks of nuclear proliferation and climate change, and abandoned the multilateral diplomacy that gave us a voice and influence on a wide range of significant issues."⁴⁸

On the other hand, Canadian historian Jack Granatstein, in the pages of the same newspaper, has contended: "Above all, given our geographic location, we must have close relations with the United States. The U.S. is our best friend, as a now-forgotten politician said 45 years ago, 'whether we like it or not.' Strong in their anti-Americanism, Canadians took a long time to learn this, and some never have. But unless we can learn to eat grass to survive, we must have access to the American market, the largest, richest in the world. We need Americans' investment, and access to their brainpower and culture. We will need their military support in extremis. And the Yanks aren't going away – Canada is not an island, nor can we hide behind psychological or trade barriers."⁴⁹

The contrast between the Axworthy and the Granatstein perspectives embodies a more general ambiguity or even division in Canadian political culture over the relationship with the United States. The Department of Foreign Affairs and International Trade, as a government department, has historically had the primary responsibility of implementing rather than determining government policies. Yet, to some extent the history of the Department over the past several decades has also mirrored the broader differences in Canadian society.

NOTES

- 1 See, for instance, John Higginbotham and Jeff Heynen, "Managing through Networks: The State of Canada–U.S. Relations," in *Canada among Nations, 2004: Setting Priorities Straight*, ed. David Carment et al. (Montreal: McGill-Queen's University Press, 2005). See as well Higginbotham and Heynen, *Advancing Canadian Interests in the United States: A Practical Guide for Public Officials* (Ottawa: Canada School of Public Service, 2004), 30.
- 2 Mr. Haynal has used the term in various of his public statements, and he reinforced this idea in his discussions with the author. The author is very grateful to Mr. Haynal for his reflections and insights. Interview, 22 July 2008.
- 3 Allan Gotlieb, *I'll be with you in a minute Mr. Ambassador: The Education of a Canadian Diplomat in Washington* (Toronto: University of Toronto Press, 1991), 118.
- 4 Derek Burney, *Getting It Done: A Memoir* (Montreal and Kingston: McGill-Queen's University Press, 2005), 62–63. Burney indicates that when he was head of the U.S. Bureau he reported to three different officials, to the under-secretary of state for external affairs (Marcel Massé, 1982–85), the deputy minister (political), and the deputy minister for trade (Sylvia Ostry). Michael Hart was the main figure in developing trade strategy from this stage through the free trade negotiations. See Michael Hart, *A Trading Nation: Canadian Trade Policy from Colonialism to Globalization* (Vancouver: UBC Press, 2002).
- 5 Burney, *Getting It Done*, 63.
- 6 This paper focuses on the department rather than the prime minister, but it is important to note that PM Mulroney made a particular effort to cultivate not only members of the U.S. executive but also Congress, consistent with the approach taken by the two men who served as his ambassadors in Washington. He also cultivated the U.S. media and key U.S. interest groups. Brian Mulroney, *Memoirs*, (Toronto: McClelland & Stewart, 2007), 485.
- 7 Gotlieb, *The Washington Diaries*, 173.
- 8 Burney, *Getting It Done*, 79, 83.
- 9 In various conversations in previous years with former Prime Minister Joe Clark, he emphasized the extent to which the NGO community, in particular the Church organizations, influenced his thinking on the Central American situation in the 1980s. This is not to suggest that Clark was "wrong" in the policies he pursued. Indeed, his position on apartheid was ahead of its time, and the sanctions worked. His position on U.S. policy in Central America was also much closer to the international consensus. Mr. Clark continued to articulate a multilateral, Pearsonian view of Canadian foreign policy in the years since he left office. Speaking in Toronto in November 2007, he lamented the fact that Canada was "quiet in the multilateral fora which we once animated." "Restoring a Broadly-Based Canadian Foreign Policy," McLaughlin College, Scarborough, November 15, 2007. Mr. Clark left External Affairs in 1991 to deal with the constitutional issues and was succeeded as Secretary of State for External Affairs by Barbara McDougall (1991–93).
- 10 The Contadora Group was established in 1983 by the foreign ministers of Colombia, Mexico, Panama, and Venezuela in an effort to obtain a negotiated settlement of the Nicaraguan conflict.
- 11 Gotlieb, *The Washington Diaries*, 538.
- 12 Canada, Department of External Affairs, *Competitiveness and Security: Directions for Canada's International Relations* (Ottawa: Minister of Supply and Services Canada, 1985), 6ff.
- 13 Allan Gotlieb has been strongly critical of the Clark approach to Canadian foreign policy. In the Benefactor's lecture to the C.D. Howe Institute in 2004 he noted: "Joe Clark's track did not include the

- United States. He barely got involved, so completely did the U.S. become the domain of the prime minister." Allan Gotlieb, "Romanticism and Realism in Canadian Foreign Policy," Benefactor's lecture to the C.D. Howe Institute, 2004, 20. Gotlieb notes that in addition to Clark's position on Central America he also sided with Flora MacDonald, then the Minister of Communications, on the issue of protectionism in the Canadian film industry, a position that threatened the conclusion of the free trade agreement with the United States. On the 1987 Clark visit to Washington see Gotlieb, *The Washington Diaries*, 444; Mulroney, *Memoirs*, 485.
- 14 Gotlieb, *I'll be with you*, 48, 51–53, 75, 91.
- 15 Burney, *Getting It Done*, 76; Gotlieb, *I'll be with you*, 68, 73.
- 16 The two emissaries appointed were William Davis and Drew Lewis.
- 17 Burney, *Getting It Done*, 117, 121, 122.
- 18 Burney, *Getting It Done*, 76.
- 19 Mulroney, *Memoirs*, 658–59.
- 20 Marci McDonald, "Taking Orders: How Washington Shaped Canada's Foreign Policy in the Mulroney Years," *Special Report, Fifth Annual Atkinson Fellowship in Public Policy* (1993), 7.
- 21 McDonald, "Taking Orders," 7.
- 22 McDonald, "Taking Orders," 7.
- 23 Interview with Peter Boehm. July 2008. Canada was the only one of the twenty-two-member OAS to support the 1989 U.S. intervention in Panama to overthrow the government of Manuel Noriega.
- 24 *Maclean's*, 6 March 1995, <http://www.thecanadianencyclopedia.com/index.cfm?PgNm=TCE&Params=M1ARTM0010399>. Accessed November 2008.
- 25 Jean Chrétien, *My Years as Prime Minister* (Toronto: Knopf, 2007), 87.
- 26 Interview with Peter Boehm, July 2008.
- 27 Interview with Peter Boehm, July 2008.
- 28 McDonald, "Taking Orders," 5.
- 29 McDonald, "Taking Orders," 5.
- 30 Interview with George Haynal, 22 July 2008.
- 31 James Blanchard, *Behind the Embassy Door: Canada, Clinton and Quebec* (Toronto: McClelland & Stewart), 123.
- 32 Lloyd Axworthy, *Navigating a New World: Canada's Global Future* (Toronto: Knopf, 2003), 68.
- 33 Blanchard, *Behind the Embassy Door*, 147.
- 34 Blanchard, *Behind the Embassy Door*, 147–48.
- 35 Chrétien, *My Years as Prime Minister*, 99.
- 36 Blanchard, *Behind the Embassy Door*, 125.
- 37 Kim Richard Nossal, *The Politics of Canadian Foreign Policy*, 3rd ed. (Toronto: Prentice-Hall Canada, 1997), 34.
- 38 Anthony DePalma, "A Canadian Rousts Diplomacy (and Ruffles the U.S.)," *New York Times*, 10 January 1999, <http://query.nytimes.com/gst/fullpage.html?res=9C00E6DB1631F933A25752C0A96F958260>. Accessed 15 November 2008.
- 39 Randall Palmer, "Foreign minister treads softly, raises Canada's profile," *Reuters*, 6 January 1999, <http://www.cubanet.org/CNews/y99/jan99/07e8.htm>. Accessed 15 November 2008.
- 40 DePalma, "A Canadian Rousts Diplomacy."
- 41 Raymond Bonner, "How a Group of Outsiders Moved Nations to Ban Land Mines," *New York Times*, 20 September 1997, <http://query.nytimes.com/gst/fullpage.html?res=9E03EFD71F38F933A1575AC0A961958260>. Accessed 12 November 2008.
- 42 DePalma, "A Canadian Rousts Diplomacy."
- 43 DFAIT history, http://international.gc.ca/departement/history-histoire/hp_search_results-en.asp?frm=search.
- 44 Axworthy, *Navigating a New World*, 45.
- 45 Gaetan Lavertu preceded Harder as deputy minister (2000–2003). Lavertu was

- not a U.S. specialist but rather had previously served primarily in Europe and Latin America. <http://www.socialsciences.uottawa.ca/api/eng/glavertu.asp>. Accessed 15 November 2008.
- 46 Jeff Heynan and John Higginbotham, *Action-Research Roundtable – Advancing Canadian Interests in the United States: A Practical Guide for Canadian Public Officials* (Ottawa: Canada School of Public Service, 2007), 8.
- 47 Canada, Department of Foreign Affairs and International Trade, Canada's International Policy Statement, "A Role of Pride and Influence in the World" (Ottawa: DFAIT, 2005).
- 48 "Finding Canada's place in the world: We need a new map, Lloyd Axworthy argues," *Globe and Mail*, 16 February 2008, <http://www.theglobeandmail.com/servlet/story/RTGAM.20080215.wcomment0216/BNStory/specialComment>. Accessed 17 November 2008.
- 49 J.L. Granatstein, "Finding Canada's place in the world: It's a matter of realizing our national interests," *Globe and Mail*, 17 February 2008, <http://www.theglobeandmail.com/servlet/story/RTGAM.20080215.wcomment0218/BNStory/specialComment>. Accessed 17 November 2008.