

My Vision for the Canada-US Relationship

Remarks by The Honourable [John Manley](#)
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What a delight to be in Halifax. What a joy to not be in Ottawa for a change! In the 15 months that I served as Minister of Foreign Affairs, barely a week passed that I wasn't leaving home for some international trip. Or two. Or three. I couldn't wait to get home.

They say 'be careful what you wish for' - let me tell you! With the last five months that we've had, I'm lucky to get past the front bench of the House of Commons!

One place I have managed to get to from time to time, however, is Washington, as I work closely with US Homeland Security Director Tom Ridge on a coordinated response to the events of September 11.

It is a watershed in our lives, including in our relations with our southern neighbour. It changed a great many things - but it also reinforced and brought clarity to many others. Our values. Who we are as a nation, what we believe in, what we are seeking to achieve, and what we as Canadians are willing to do - to lead, and to sacrifice - to defend those values and attain those goals.

I have travelled across this country talking about September 11 and what it means for Canada. I have spoken often about Canadians 'living their values' through this tragedy - and invariably these stories are about people right here, in Halifax and other maritime communities. As Foreign Minister I received letter after letter from American travellers who were stranded here, and found in one of the worst moments of their lives, the most unexpected kindness, generosity and kinship - along with the toothbrushes, home cooked meals and Barbie dolls that awaited them when they got off those planes. It didn't seem like anything extraordinary for folks here - that's what people do for each other. And I don't think that the oversight of one man - even if he is the President - stands up much at all to the gratitude of 33,000 people who now know and love Canada that much more. I also want to thank personally all Haligonians and maritimers for what they did.

Atlantic Canadians have always done their part, and more; there is no greater pride in Canada, and what this country stands for, than right here. It's not at all surprising to learn that Halifax and the maritime region are the largest source of enrollment into the Canadian Forces today, nor that two of the four Canadian soldiers who were killed so tragically in Afghanistan last month were Nova Scotia's own - fine and courageous young men who took honour in serving this great country and in fighting for a better world for others, and who did their families, and all Canadians, so very proud.

There is no clearer expression of our values than this, and no greater testament to the sovereignty and character of our nation. Sovereignty does not equate isolation or self-sufficiency - unless perhaps you live in North Korea, or recently arrived in a time capsule from the early 19th century. Our sovereignty - 21st century, Canadian sovereignty - rests in our ability to choose how we will express those values and act in our national interest, and to preserve for ourselves that freedom of choice by ensuring a strong society and prosperous economy.

Our relationship with the United States, by definition, is critical to this. They are our largest trading partner - taking in 83% of our merchandise exports, our number one security and defence ally; and share with us the stewardship of much of the North American environment. They also happen to fill about 9.63 million square kilometres of space just south of our shared 8000 km. border.

The Canada-US relationship is not a zero-sum game; less engagement does not equal more sovereignty - quite the opposite. It would only mean less influence, less visibility, less economic weight and less ability to afford the choices that make this country what it is. A strong Canada means a strong, well-managed relationship with the US - and this is nothing new. But it is a complex relationship and too often taken for granted - on both sides. It's incredible to imagine, but, broadly speaking as a nation, we really don't know enough about the US, about what drives its interests and motivates the political process. And that's just not good enough.

We live in an interdependent, tightly-connected world; Canada's agenda - what we want for our nation - can only be truly fulfilled in that context. And our relations with the US are inescapably a key component of that.

In simple terms, Canada's agenda comes down to the quality of life that we offer our citizens. And we do this by :

- being clear and confident in the values and principles that underpin our society;
- by building an innovative, competitive economy to create opportunity;
- by fostering a strong social fabric so that opportunity is shared;
- by providing good governance to ensure that citizens are at the centre of the decision-making process, and enjoy the freedom, and the security, to pursue those very opportunities;
- and by managing our domestic and international political relationships in the best interest of our citizens.

Canada today represents a nation with a balanced commitment to economic prosperity and social progress - and a model for much of the world in this respect. We are once again poised to lead the G7 in economic growth (according to both the IMF and the OECD), and remain consistently ranked by the UN among the best places in the world in which to live.

We have done this largely by recognizing and seizing the opportunities presented to us - and the presence of the world's largest economy on our doorstep has long offered Canada an enviable competitive advantage. Both countries have benefited enormously from this relationship. Two-way trade in 2001 topped the C\$675 billion mark - representing C\$1.85 billion in cross-border commerce each day. The US is the largest source of foreign investment into Canada, and the number one destination for Canadian investment abroad. We are the chief trading partner for 38 of the 50 states, buy 23% of all US goods, and very significantly are the chief - and most secure - supplier of energy to the United States. And I would note that the Sable Island project and the Maritimes and Northeast pipeline have put Nova Scotia clearly on the North American energy market radar.

More trade today crosses the Ambassador Bridge between Windsor and Detroit than between any two nations on earth. Most of it is trouble-free, but the 5% or so of Canada-US trade under dispute is what most captures our attention. In a relationship this complex, and on which both countries are so heavily dependent for their national prosperity, it is inevitable that problems will arise. We have made abundantly clear our dismay on their handling of issues like softwood lumber and the newly-signed US Farm Bill.

Canada guides its trade actions by the principles of free trade and by the commitments that we have made in our WTO, bilateral and regional trade agreements. And we work hard to build national consensus, with the provinces and all key stakeholders, on how we handle key trade issues. Softwood lumber is an excellent example of this, and I give credit to my colleague Pierre Pettigrew in the International Trade portfolio for achieving that hard-won consensus, from coast to coast. It is sometimes difficult to say the same for the United States. On softwood lumber, US consumers are also going to come out the losers in that dispute - until, that is, Canada wins its WTO and NAFTA

challenges, which we will most certainly do. But in the meantime, communities, workers and companies in Canada, and in the US, will bear the brunt of this irresponsible policy.

The new Farm Bill which returns the US to old-style protectionism and government intervention only adds a new layer of inefficiency, dependency and lack of stimulus for innovation in their own domestic US market. It doesn't do us any favours either, and will bring harm, in particular, to developing countries.

We want more Americans to know that these policies don't just harm America's neighbours and trading partners - but that they hurt Americans, too. North America has benefited massively from free trade, and Canada and the USA both have led the world in arguing for the benefits of open markets, particularly here in the Americas, and in the WTO. We will continue to challenge these policies until fair remedies are found, whether by negotiation or litigation. Free and fair trade will prevail.

Since the entry into force of the Free Trade Agreement, followed by NAFTA, trade with the US has more than doubled, and will only continue to grow. A major part of my focus has been to ensure that this potential is fully tapped, meaning the creation of a smart, secure and efficient border with the US. Why is the border so important? Because that's how we allow goods and people to move to markets, how we make our economy grow and support our quality of life. It means that fine maritime companies like Clearwater in the seafood sector, and IMP Group on the high-tech and aerospace side, can get their products to US buyers, creating jobs and higher living standards back here at home.

Basic stuff - and by no means a new issue that suddenly emerged the day after September 11. Attention has been paid to these issues for many years - but not always at the right political levels. Canada and the US recognized the need for greater border efficiency, but the political imperative was not there. The effect of September 11 is that it brought this issue home - literally. 'Homeland security' became the new watchword in the US, and a new office in the White House. By appointing Tom Ridge to head this office, President Bush provided Canada with a new, motivated and engaged interlocutor and an opportunity to achieve new efficiencies, as well as greater security, at our common frontier. Canada did not hesitate to seize that opportunity, and effectively to define the agenda with the United States on this crucial issue. We secured US recognition that it, too, has a clear interest in keeping legitimate trade flowing across the border, and, most critically, that public security and economic security go hand in hand.

This is how Canada was able to secure agreement with the US so quickly on a 30-point Smart Border Action Plan, which was signed by Governor Ridge and myself last December. The plan is guided by the principle of 'risk management', both for people and for goods. We have given this substance through programs like NEXUS, which serves to distinguish between high- and low-risk passenger traffic at land borders, and will be expanded country-wide in the coming term. On the commercial side, we are seeking similar gains by expediting the movement of low-risk goods while increasing scrutiny on higher-risk shipments.

The interests of Atlantic Canadians figure prominently in the border agenda. By example, on March 25th, we created a joint targeting team of US and Canadian inspectors at the port of Halifax to identify suspect containers arriving by sea, in order to better target the examination efforts of Canadian Customs officials. This has increased US confidence in the security of containers arriving here, thus helping Halifax to draw full benefit from the competitive advantage that geography has given it as the first major port of entry for ships travelling to North America from Europe.

In real terms, this will mean that once containers arriving in Halifax have been cleared for security purposes and put on a rail car, they will not have to be checked again at the border. Joint inspection teams are also operating at ports in Montreal and Vancouver, and in Newark and Tacoma-Seattle on the US side.

The land border that Atlantic Canada shares with the US between New Brunswick and Maine has served as a test case for new ways to monitor remote areas between formal border points. We are now replicating the successful experience of the Integrated Border Enforcement Team established there with both US and Canadian law enforcement officials.

These are only a few examples, and Governor Ridge and I will outline further progress when we report to Prime Minister Chrétien and President Bush on the results of our border discussions.

As I said before, getting our border with the US right gives our country a launch pad to advance so many of our other political, social and economic goals. The strong economy that depends on a smart border allows us to continue making the right investments into Canada's future - in health care, education, skills development, research, innovation and so on. It also allows us to further reinforce our national infrastructure - the organs and arteries that give life to our nation, and make this country work.

Canada's cities must be a focal point for the renewal of strategic national infrastructure that will take place under the new \$2 billion Canada Strategic Infrastructure Fund, which also falls under my mandate. The fund will be directed towards no more than a dozen or fifteen large-scale projects of national and major regional significance - addressing large-impact needs that are vital to our nation's economic growth and quality of life. Allocation of these funds has yet to be decided, but I fully expect a strong case to be made for the clean-up of Halifax Harbour, which, as the heart of the city, serves as the engine of economic development and the cultural lifeblood of not only Halifax, but the entire Maritime region.

It comes down, once again, to the choices that we make as a nation - and to the freedoms and the means that we create for ourselves in order to exercise those choices.

Canada is a sovereign nation. With an open economy, a strong sense of social solidarity and a well-educated, dynamic and diverse population, we are well equipped to face the challenges and to seize the opportunities of this new era, both in and outside of our borders.

But we cannot take this prosperity and the security of our nation for granted. The advancement of our national agenda requires us to constantly work at it, and to do so within the realities of an integrated North America and a globalized world.

What is Canada's 'US agenda'? It's Canada's own agenda, and the simplicity of our goals - security, prosperity, the highest quality of life for Canadians - should not get lost in the complexities of the relationship itself.