House of Commons
CANADA

Standing Committee on Foreign Affairs and International Development

FAAE • NUMBER 008 • 2nd SESSION • 40th PARLIAMENT

EVIDENCE

Monday, March 9, 2009

Chair

Mr. Kevin Sorenson

Standing Committee on Foreign Affairs and International Development

Monday, March 9, 2009

● (1530)

[*English*]

The Chair (Mr. Kevin Sorenson (Crowfoot, CPC)): Good afternoon, everyone. This is meeting number eight of the Standing Committee on Foreign Affairs and International Development, Monday, March 9, 2009. It is also Commonwealth Day. I think it's the 60th anniversary of the Commonwealth.

We welcome you here. We're continuing our review of key elements of Canadian foreign policy.

Today from the University of Toronto, we have Stephen Clarkson, professor of political science. From the University of Ottawa, we have Mr. Donald McRae. He is the Hyman Soloway professor of Business and Trade law. Also, appearing as an individual is Carl Grenier, associate professor with the department of political science at Laval University. Welcome.

Our committee provides an opportunity to our guests to open for approximately 10 minutes. We will then go into the first round of questioning. I'm not certain if you've drawn straws or whatever. I did mention Mr. Clarkson first, so if that would be all right, we would proceed with Mr. Clarkson.

[*Translation*]

Prof. Stephen Clarkson (Professor, Political Science, University of Toronto): Thank you very much, Mr. Chairman.

[*English*]

It's a great privilege to have the opportunity to exchange ideas with the elected representatives who govern me. But it's a bit of a challenge to reduce 40 years of researching and teaching on this question down to 10 minutes.

So let me make three sets of points. The first couple of points are about what has changed—I started working on the Canadian-American relationship in the late sixties—followed by a couple of really basic features of the new reality that Canada faces in North America, and then I'll end with a couple of ideas about what, perhaps, you will want to be addressing and the recommendations you'll be getting.

What's changed, particularly in the Canadian-American relationship, is how Canada has lost importance in some dimensions and gained importance in others, as far as the United States is concerned. It's lost militarily with the end of the Cold War because we're no longer on the flight path, so NORAD is no longer a critical institution. We've lost economically in the sense that Canada is a relatively much smaller country, much smaller economy, with China, India, and the other big countries growing. And we've lost politically in the sense that we don't cause trouble—and I don't mean it sarcastically—so we're not on the horizon and not on the radar in Washington.

On the other hand, Canada is more important than it was in three dimensions of security. It's obvious that with American paranoia about terrorism, Canada plays a huge role in their concerns about sealing off the country to any possible terrorists crossing the border. In terms of energy security, it's obviously also true that Canada is the biggest supplier of oil and the only real supplier of natural gas. So Canada plays a big role in American concerns about their energy security. And with the new president putting the environment on the agenda, Canada is a very important, if not entirely positive, factor in the United States' environmental security concerns, given the ambivalent role of the tar sands, whether as a source of oil or as a huge source of pollution. That's not to say that Canada has entirely lost its importance, but its importance has shifted, I think, quite significantly. That's the first big change.

The second change is the shift in the international context. In the Cold War, the Canadian involvement in the world was trans-polar, with NORAD and the threat of the Soviet Union, and it was trans-Atlantic, with the huge involvement in NATO, given the Soviet threat in Europe. Now, the major international context for Canada is continental with NAFTA and global with the World Trade Organization, which, overwhelmingly, are the most important organizations that Canada relates to in terms of dealing with the United States. So those are pretty big shifts over 30 or 40 years in Canada's importance and in the context within which it deals with the United States.

I'll talk about the present very briefly. The reality of North America, 15 years after NAFTA went into operation, is the almost surprising failure of NAFTA as a primarily economic effort to create an integrated North America. It's failed primarily because disparities have increased rather than decreased between the countries and they've increased rather than decreased within the countries.

● (1535)

This means that NAFTA is by no means seen as a successful achievement, certainly not in Mexico and certainly not in the United States, although it's seen much more positively in Canada. That's a huge part of the present reality. One then has to include the tremendous troubles in Mexico, with the talk from Washington of its being a failed state.

We have, in effect, in North America this disintegration, the symbol of that being the wall—in fact it's a double wall—the United States is building along the southern border. That's the first major reality that the committee will obviously have to take very seriously.

The second new reality is security, the tremendous fears in the United States about terrorists possibly crossing the border. The point I want to make there is that it puts Canada in the same boat as Mexico, like it or not. The Department of Homeland Security sees Canada as just as much, if not more, of a threat. I'm sure you all know, probably better than I—and it's not just on the right-wing talk shows—it's thought to be easier in general for people from the Middle East to get into Canada than into Mexico. Therefore, Islamic terrorists can get into Canada easier, and the threat of getting across the border is more real. The United States differentiates between Canada and Mexico, but I don't think it sees Canada in a different light in the sense that Canada, along with Mexico, is a source of threat, not through its own citizens, but from people coming into those countries, just as it is seen as a source of illegal narcotics.

Mr. Chairman, about the future, the irony of the present situation is that Canada's political and economic elite, which brought us NAFTA, is now saying we should, in effect, get out, try to disconnect from Mexico, and try to re-establish a Canadian-American relationship, which in the 1960s was thought to be special—every country thinks it has a special relationship with the United States, of course. But the current line—with former Ambassadors Dereck Burney and Allan Gotlieb and the former advisors to the government who pushed for free trade, like Michael Hart—is that we are now being contaminated by our relationship with Mexico and we should create some kind of new Canadian-American relationship that is distinct from Mexico in some way.

I'd like to address that issue because I think it's naive to try to turn the clock back, or, to use another clichéd metaphor, to unscramble the omelette. I'm sure the members here from the west will know more about the drug problems in southern B.C. than I do, but I read in *The Globe and Mail*—and therefore it's true—that the drug crisis in British Columbia is directly connected to the cartels in Mexico. If you read *The Globe and Mail* a couple of days earlier, you'd have seen another report about how the drug cartels in Mexico are directly connected to the Mafia in Sicily, which has a new business plan, namely to work with Mexico.

The point there is that it's not possible to disconnect ourselves from Mexico. It's not possible to tell Bombardier to take their aircraft plant out of Querétaro. It's not possible to tell Magna to take their 19 plants out of Mexico and go home; we're going to pretend that Mexico doesn't exist. I think the reality is that we are in the omelette.

My own view is that Mexico should be dealt with, not denied. I don't think we can deny Mexico's great problems. We can't deny either that it's a growing market for us. We can't deny that it has a population of 110 million, which is three times that of Canada, that it's going to be stronger than us in due course, and that it is already stronger than Canada is in Washington.

● (1540)

Before the last election, over 5,000 American citizens of Mexican origin had been elected in some capacity in state, municipal, and federal government. Some 60% of illegal immigrants in the United States are Mexican. Some 30% of legal immigrants in the United States are Mexican. In the last Congress, there was a caucus of 27 Hispanics, most of whom are Mexican.

The point is that Mexico may cause trouble within the United States, but it is taken more seriously. I think Canada needs to work with Mexico in dealing with Washington on many issues in which we have a common interest, borders being one, trade and investment rules being another.

I'll just conclude with the notion that if we had spent $20 billion not on a futile military effort in Afghanistan but on building a partnership, on helping Mexico develop its infrastructure so that it could get into a development orbit, then I think.... Anyway, that's speculation, but I think it behooves Canada to work with Mexico in dealing with Washington on many common issues.

Thanks very much.

The Chair: Thank you, Mr. Clarkson.

We'll move to Mr. Grenier.

I'm also aware that right at 4:30 p.m. we have a break, when we'll bring in our next witness. We also want to leave time for questions and answers.

[*Translation*]

Mr. Grenier, you have 10 minutes.

Mr. Carl Grenier (Associate Professor, Department of Political Science, Laval University, As an Individual): Thank you very much, Mr. Chairman.

I want to thank the committee for inviting me to speak to you today. I'll try to divide my remarks into three segments, somewhat as Mr. Clarkson did.

First, I'm going to remind you why Canada entered into a free trade agreement with the United States, which was eventually extended to Mexico. Then I'm going to talk about how that agreement has evolved in relation to Canada's priorities at the time. Lastly, I'll make a few suggestions for the future, in view of the change in context and administration in Washington.

I am well aware that this committee is the foreign affairs and international development committee and that there is a separate committee for international trade, but you will agree with me that a large segment of relations with the United States is first of all trade-related.

When Mr. Mulroney wrote to President Reagan in September 1985, he stated two objectives for Canada: first, he wanted more secure access to the U.S. market and, second, better access. What did that mean? It meant that Canada was essentially seeking that free trade agreement with the United States, which was the result of 150 years of effort, first to consolidate the gains it had made in the GATT negotiations. There were seven at the time. We wanted to consolidate those gains because, at the time, we were using contingent protection measures, such as countervailing duties in the case of subsidies, and anti-dumping duties, in cases of alleged dumping. By paying a price in terms of openness of its own market, there was an erosion of gains made by Canada with the United States. Already at the time, we had the first softwood lumber case; in fact that was more than 25 years ago. It was a very clear concern of Canada's.

The second objective was to improve access. Indeed, U.S. tariffs of approximately 4% were applied to Canadian exports.

When you take an overview, you can see that we have improved our access: most tariffs have been eliminated on both sides. In Canada, we've kept quite high tariffs on certain agricultural products because of the GATT negotiations that were conducted in the 1990s and that transformed a certain number of quotas that we considered necessary at the time for the Canadian supply management system for dairy products, poultry and eggs. Those quotas were transformed into tariffs, and, despite certain cuts, those tariffs nevertheless remained quite high. We have gained better access; we can confirm that.

Safer access meant a better trade dispute settlement system. That soon became the main issue in the 1987 negotiations, in particular, such that Canada's chief negotiator, Mr. Reisman, ultimately broke off negotiations because no progress was being made on the crucial issue, for Canada, of a better trade dispute settlement system.

Negotiations eventually resumed and we got what we call Chapter 19. That chapter established a completely new dispute settlement system. For the first time, the United States agreed that the decisions of their agencies could be reviewed by non-Americans. They didn't like that from the outset, but it must be said that, in the first phase, that of the Canada-U.S. Free Trade Agreement, the system worked well as planned, that is to say that waiting times were reduced to approximately 315 days, whereas previous time frames, in the U.S. courts, were more than 1,000 days. Costs were also cut because there were no appeals; under that system, the decisions by the panels were final.

Matters seriously deteriorated when we signed NAFTA. Was it because we added a new country, Mexico, which is a developing country? I doubt it. Instead I believe that U.S. interest groups, the very powerful lobbies in Washington, managed to convince U. S. authorities to oppose Chapter 19 systematically. A range of measures were then deployed to counter the operation of Chapter 19.

● (1545)

I won't go into the genealogy of all that; I believe it's already been quite well documented. Whatever the case may be, as a result, today, an average of nearly 1,000 days is required to settle a dispute. Some cases, such as magnesium, have taken 2,300 days. In the last episode, numerous softwood lumber cases took approximately 1,700 days. Obviously, in these conditions, you can't say the process has successfully met Canada's second objective. It must be kept in mind that that was the principal issue for Canada. The main issue for the United States, as we learned later, was more secure access to energy resources. Professor Clarkson just alluded to that.

So, as far as we're concerned, this hasn't worked. That's due not only to protectionist pressures in the United States and to efforts by lobbies to literally destroy what was agreed upon at the time of the first negotiations, but also to our own government. The Canadian government has engaged in a more or less wilful neglect—and I think it's been more wilful rather than less in certain cases—that has undermined the system, by not appointing, for example, panel members within the prescribed deadlines, by accepting unacceptable deadlines set by the U.S. and by never challenging U.S. decisions through the extraordinary challenge mechanism, whereas the Americans have literally made it an appeal mechanism. I don't think that's a partisan criticism, in view of the fact that a number of successive governments have also experienced wrongs, which is unfortunate. That mechanism has been eroded, and I believe we can seriously wonder whether it will be really useful in future.

I don't believe either, somewhat like Mr. Clarkson, that we can unscramble the omelette. We're in it, and so we have to do the best we can. What can we do? The new U.S. administration and the arrival of Mr. Obama have obviously raised considerable hopes around the world. Mr. Obama clearly views matters in a very broad and very practical way. The crisis in which he has found himself on arriving in the White House will probably reinforce that attitude. For example, in reading his trade policy statement, which appeared on February 27, one is struck by the fact that he puts a lot of things in the same basket. I think that, if Canada wants to be heard by the new President, it will have to take that fact into account.

The shopping list, that is to say our approach of going to Washington with a list of items of interest to us, doesn't work. However, Canada has a lot of advantages. The President himself moreover emphasized one when he came here a few weeks ago, the regulation of our banking system. We have a lot of advantages to put forward, on which we can base a new approach to the new U.S. administration. I'm thinking, for example, of a less degraded environment and of energy sources—some of which are highly polluting—that are already of considerable interest to the United States.

I think that, if we want to improve our relations with the United States, while dropping this moralistic approach we often adopt, we will literally be able to put ourselves on President Obama's agenda.

Thank you.

● (1550)

[*English*]

The Chair: Thank you, Mr. Grenier.

We'll move to Mr. McRae.

Professor Donald McRae (Hyman Soloway Professor of Business and Trade law, University of Ottawa): Thank you, Chair. I appreciate very much the opportunity to speak with you today.

I'd like to focus on a somewhat narrower issue, although it's related to some of the things Mr. Grenier has said. It concerns how Canada and the United States settle their disputes.

Obviously, you have disputes or differences with the United States all the time. Sometimes they're resolved privately. Sometimes they're resolved with a great deal of public fanfare. And sometimes they're submitted to dispute settlement processes. The question I want to look at is whether dispute settlement processes have been useful and whether there is an opportunity to expand them, or perhaps not.

I'll start with a little bit of history. Before Canada became responsible for its own external foreign relations, the United States and Great Britain did use arbitration on a number of occasions in an attempt to settle boundary and water differences on both the east and west coasts, including the infamous Alaska boundary dispute in 1903. Maybe because of that dispute, after 1903 we stopped. We didn't, in fact, have any other dispute settlement process with the United States, really, until 1984, when we went to the International Court of Justice on the Gulf of Maine maritime boundary dispute. Of course, at that time, there was a lot of concern about whether this was a good idea. What would be the political fallout from Canada litigating an issue it had with the United States? Would the United States retaliate if it lost? In fact, I think what the Gulf of Maine case showed was that we could litigate a case with the United States and we could win, and the political relationship would not be damaged by it.

The major change in dispute settlement between Canada and the United States really occurred with the Canada-United States Free Trade Agreement, NAFTA, and the WTO. NAFTA has three different dispute settlement processes that are referred to often: chapter 20, which is disputes between Canada and the United States, state to state—it's only been used once, in fact; chapter 19, which Mr. Grenier referred to, which is intended to deal with anti-dumping and countervailing duty disputes and which has come into disrepute as a result of the softwood lumber debacle, as one might call it; and chapter 11, which allows investors to bring claims against one of the NAFTA state governments.

The World Trade Organization has just one broad dispute settlement process. Disagreements over the interpretation of WTO agreements go to a panel. It has also the useful addition of having decisions of the panel potentially reviewed by appellate bodies. The process is compulsory, it has set time limits, and it's generally regarded as successful. There have been a number of Canada-United States cases before the WTO dispute settlement process.

So in the area of trade disputes there has been considerable experience in Canada and the United States with the use of dispute settlement processes. In other areas, there has been practically no experience. I mentioned the Gulf of Maine case, but it stands out as the one example, really, of the use of a formal dispute settlement process.

What have we learned from this? I think one thing we can say we've learned is that Canada is not necessarily disadvantaged by this process. The idea that the United States will always win and that we'll always lose is simply not correct. If you look at the trade disputes, it's probably rather balanced in terms of wins and losses at the WTO and in NAFTA.

Second, the idea that the United States will not comply with any ruling I don't think is borne out by the facts, if you look at the range of cases at the WTO and in NAFTA. Softwood lumber stands out, but it really is the exception rather than the rule. I won't dwell on softwood lumber.

The third point is that not every dispute is susceptible to being sent to arbitration or to a court. Sometimes that is not the best way to deal with a dispute. I would illustrate this by reference to the Pacific salmon dispute I was involved with in the late 1990s. There, it seemed, in the mid-1990s, that Pacific salmon was completely intractable. We couldn't agree on catch allocations. Passions ran high on the west coast. There was a blockading of an Alaskan ferry in Prince Rupert. At that time, it was argued that we should submit the dispute to arbitration. The United States was not prepared to accept arbitration, and we had no way of forcing them to arbitration, as we could have under a trade agreement if it had been a trade dispute, or at least under the WTO.

Even if we had forced the United States to arbitration on that issue and had won, I'm not convinced that the United States would have complied. I'm not saying that because I think the United States does not comply with its international obligations. I think it really relates to the nature of the dispute. That was a very complex dispute involving competing interests in the domestic fishery in the United States, competing interests between Alaska and the State of Washington, and the tribal fishery. They were interests that the United States federal government simply was unable to reconcile. Therefore, it was unable to get itself into a position in which it could accommodate the potential outcome of any kind of arbitration.

● (1555)

So I think in many respects we can draw a parallel between Pacific salmon and the softwood lumber dispute. Both sides had quite different interpretations of any relevant rules in the area, and they represented fundamentally different perceptions about what the rules were trying to do in that area. There were also powerful domestic constituencies, I would say, on both sides of the border, which the federal governments had to deal with and which Mr. Grenier has referred to. Ultimately, as we saw, softwood lumber was resolved through an agreement. Ultimately, the Pacific salmon dispute was resolved through an agreement. I'll come back later on to a few things we might learn from that, but I think we do learn that not every dispute should be sent to a third-party process. Not all are susceptible to third-party settlement.

I think there are three conditions that we want to think about if we're thinking about procedures to settle disputes. One is that clear and agreed upon rules between the parties have to be determined, rules that can be interpreted through processes of legal interpretation and that would have some legitimacy. The result would have some legitimacy within the processes of interpretation.

Second, I think you have to be sure that the other side will have a good chance of being able to implement any decision of the court or tribunal.

And third, which I think is related, is that both sides have to be able to handle the domestic consequences of an outcome of any dispute-settlement process. In other words, to put it simply, you have to be ready to lose if you go before a court or an arbitral tribunal.

In light of this, one wonders whether dispute-settlement processes should be extended into areas beyond the trade area, and, I should say, the investment area as well. In the past there have been proposals for broader-ranging mechanisms for dispute settlement between Canada and the United States. I think there are some disputes that could be resolved that way. An obvious example is the Beaufort Sea boundary dispute between Alaska and Yukon, in which there's a clear set of maritime boundary limitation rules. Tribunals have had experience in this, and it could be done. Both Canada and the United States have experience in this as well.

But apart from those kinds of disputes, I would suggest there ought to be some caution about adopting arbitration or dispute settlement processes for other areas of Canada-U.S. relations. I think trade disputes are, to some extent, a bit unique. Trade agreements have fairly precise rules that can be interpreted. They're not always precise—that's one of the criticisms of WTO agreements—but they are capable of interpretation. I think in other areas the nature of the dispute is that you do not always have clear rules, and you often have disagreement about the relevant rules.

What can we say generally about the process? In respect of trade disputes, we really have to ask, in the context of Canada and the U. S., whether we really want to use WTO or NAFTA. I think the WTO has been the mechanism. It has a better dispute settlement mechanism. It has an appellate process. It has a system for dealing with non-compliance. The NAFTA does not have many of those things. Though chapter 20 of NAFTA is really the alternative, there are reasons the parties really haven't used that.

Outside the trade area, instead of looking for new dispute settlement mechanisms, I think we might be able to build on some of the existing mechanisms. We do have, in the International Boundary Waters Treaty Act, for the International Joint Commission a process of arbitration. But the parties have never used it. It's there. The commission could arbitrate a dispute between Canada and the United States, but neither party has been prepared to send a dispute to that process.

We have processes under the NAFTA side agreements that could be developed, whereby complaints could be brought against the NAFTA parties for failing to enforce their own environmental laws. The governments have been very reluctant to allow complaints to be brought, and have narrowed the scope of the complaints, and narrowed the scope of the conclusion of a factual record, which is the outcome of that dispute. I think that's an area that deserves strengthening.

But if we also want to strengthen dispute settlement, we have to focus on something we learned from softwood lumber, which is that the ultimate test of any process is implementation. A decision of a court or a panel or a tribunal is of little use if one party is free to ignore it. I think that has implications for how we go about implementation. It means that dispute settlement decisions have to be binding within the domestic law of the two parties.

● (1600)

In the European Union we talk about this as direct effect. The decisions of the European court automatically are binding. If one is moving in the direction of more dispute settlement processes, I think we have to have those processes integrated into the domestic laws of the two countries. That means closer integration between the two countries, and I know that raises a whole range of other questions and concerns about the extent to which we'd be prepared to accept that kind of integration. But if we want to have dispute settlement, I think it's the only way to go.

The reality is that most disputes between Canada and the United States are going to be negotiated. We're not going to have a Court of North America. I'd go back briefly to the Pacific salmon negotiations of the 1990s to see what we learned there. I think we learned that power imbalance does not necessarily mean you end up with a bad agreement. There are many agreements Canada has entered into with the United States that would not be regarded as lopsided bargains.

Second, it shows that negotiating with the United States is not simply state to state. Canada cannot sit across the table from the United States and assume the United States federal government is the correct interlocutor on any dispute. We saw that back in the 1970s, when we negotiated the east coast fisheries agreement with high-level officials and the support of the White House, and Congress said no to the agreement.

With the Pacific salmon dispute, we negotiated with the State of Washington. We negotiated with Alaska. We negotiated with the tribal fishers. Instead of thinking we are simply negotiating with the United States, we have to get behind the United States and deal with the domestic interests.

The reality of many disputes that Canada has with the United States is they are multiple and varied in that way. You cannot simply expect that the United States federal government is the correct interlocutor and that it will be in a position to implement what can be agreed across the table.

Thank you.

The Chair: Thank you, Mr. McRae.

We're going to move quickly to Mr. Patry and Mr. Pearson, who are splitting their time.

We're probably only going to have one round. I know Mr. Grenier has to catch a plane at 5:30, so we'll go as quickly as we can. We'll probably end up with one round.

Mr. Patry.

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Merci beaucoup.

Thank you to all our guests this afternoon. It's always very interesting.

Mr. Clarkson—and to all three—you said within NAFTA we need to live with the omelette as it is right now and try to improve it.

[*Translation*]

Mr. Grenier, you said that President Obama was raising a lot of hopes. You told us about his speech on February 27. You also said that Canada had to get President Obama's attention, but not show up with a shopping list.

My question is very simple. How can we get onto President Obama's agenda? Do we have to do it in a continental or international way, while not forgetting to include in the negotiations the problems we have with regard to the Arctic or Afghanistan, as well as security issues?

[*English*]

The Chair: Thank you, Mr. Patry.

[*Translation*]

Prof. Stephen Clarkson: I think that depends precisely on the issue negotiated. Since Canada has little political weight in Washington, I think its involvement on international issues will be very important, with a view to cultivating an attitude in Mr. Obama that will make him take what Ottawa has to say seriously.

I find it hard to answer because your question is very general. Could you clarify it a little, sir?

● (1605)

Mr. Bernard Patry: Mr. Grenier.

[*English*]

The Chair: Very quickly. We have five minutes for questions and answers.

[*Translation*]

Mr. Carl Grenier: I probably have the same difficulty answering that question as Mr. Clarkson. However, I think it's clear that Mr. Obama does not have any specific trade policy experience. In fact, he views matters in a very comprehensive way. I believe that's how we should view them as well. I also don't think he has a very ideological approach compared to those of some of his predecessors, his immediate ones in particular.

He takes a practical, pragmatic approach, particularly since the theories on which the economic plan were based have recently been shot down.

We will have to determine our own priorities—they are still very general—and try to see in what fields or sectors Canada can make its contribution. I mentioned two or three earlier. As regards environmental issues, for example, I don't think we really need to be embarrassed by our environmental policies, with one or two exceptions, compared to U.S. or Mexican policies. We definitely have a certain advantage in the area of financial regulation; that's now recognized around the world. As for equity among social classes, things are nevertheless a little better here than in the United States, where the situation has vastly deteriorated in recent years.

There are issues on which we'll probably be able to contribute, but my impression is they will go very largely beyond trade issues. You mentioned Afghanistan. I get the impression that matter will be aired very soon.

[*English*]

The Chair: Thank you, Mr. Grenier.

Very quickly, Mr. Pearson. Give him time to answer.

Mr. Glen Pearson (London North Centre, Lib.): As a question and a point of clarification, you talked about how there's a tendency within our country to kind of dump the Mexico part and concentrate more on Canada-U.S. relations. Given that our present government is trying to emphasize the Americas, is it kind of at cross-purposes that we would dump Mexico but concentrate on the Americas?

Secondly, what is Mr. Obama's outlook on Mexico and the future of NAFTA?

Prof. Stephen Clarkson: On the first question, I think the government has talked about shifting its aid effort from Africa to the Americas. I work every winter in Mexico because I can't study the Canadian-American relationship without knowing what the Mexican relationship with us and the United States is. There isn't much evidence that the Canadian government is putting more effort and more money into its relationship with the United States. We have, for instance, only 17 scholarships for Mexican students to do graduate work in Canada.

On Mr. Obama, in his campaigns for the nomination and then for the actual job, I don't think he said much about Mexico. He voted in favour of the wall during the Bush administration. He said nice things to the National Rifle Association during the election.

This suggests, in his first period in power in any case, that he's not going to look at the root cause of the drug problem, namely, the consumer demand for drugs, which itself causes the cartels to make their huge profits and kill off thousands and thousands of people in Mexico. Also, he hasn't shown any willingness to risk political capital on the immigration question.

Nevertheless, he is obviously conscious of the Mexican problem, but given his other priorities, which are urgent on the economic front and urgent on the international financial front, I wouldn't expect him to spend political capital on Mexico.

The Chair: Thank you, Mr. Clarkson.

We'll move to Monsieur Crête.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Thank you, Mr. Chairman. I'll be sharing the time allotted to me with Ms. Deschamps.

I would ask each of you to suggest to us an action that must be given priority. Everyone in Canada agrees on the importance of our relationship with the United States. Is there a single action that you would like to see expanded or put forward? I would appreciate a brief response from each of the three participants.

Prof. Stephen Clarkson: Perceptions of terrorism should be changed because U.S. paranoia is the principal factor undermining the entire vision of an integrated North America. It's this unreal paranoia that leads Americans to close their borders as much as possible. That's also the Mexican priority.

● (1610)

Mr. Paul Crête: Mr. Grenier.

Mr. Carl Grenier: I'd say the priority is here in Ottawa. I think that, when you commit to a dispute settlement system, for example —and I differ with Mr. McRae here—you stick to it. We must be prepared, precisely as he said, to lose if we lose and to apply sanctions. Obviously, the partner must do the same thing. Given the asymmetry in relations between Canada and the United States, which won't be disappearing any time soon, we really must not constantly go back to diplomacy. We don't carry enough weight to do that. So we have to rely on the system and make it work properly.

Mr. Paul Crête: Asymmetry, that's our 30 million citizens versus 300 million in the United States. That's 10% of their economic weight.

Mr. Carl Grenier: That's it.

Mr. Paul Crête: Mr. McRae.

[*English*]

Prof. Donald McRae: I'd like to move to a slightly different area and something that also concerns me—I believe you'll have hearings on this at a somewhat later stage—and that is the Arctic. I would say to stop being so defensive about what we think the United States thinks about the Arctic, to simply go ahead and act as if the Arctic archipelago and the Northwest Passage are Canadian and run by Canada and not be concerned about what the United States says.

The Chair: Thank you.

Madame Deschamps.

[*Translation*]

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Thank you.

Mr. Clarkson, perhaps in a more comprehensive way, as Mr. Grenier mentioned, you said that Canada has lost considerable importance militarily, economically and politically. There's also the rise in markets, related to the rise of emerging markets. There have also been a number of changes, with the arrival of a new U. S. administration.

In view of all these factors, and in light of these losses, shouldn't Canada review its own foreign policy? Shouldn't it be updated, precisely taking into account these important changes that Canada is currently facing?

Prof. Stephen Clarkson: What is your question, exactly?

Ms. Johanne Deschamps: Canada's foreign policy should be reviewed, updated, upgraded, because I would say it's a bit deficient, considering all the new factors that have arisen on the international scene, including the arrival of the Obama administration. Before becoming foreign missionaries, perhaps we should review our domestic policy.

Prof. Stephen Clarkson: Madam, I believe the government is reviewing its main international policy area, that is to say the war in Afghanistan. At the same time, it's clear that Mr. Obama, although he is sending more soldiers to that country, is reviewing his policy as well, if he is starting to negotiate with certain factions of the Taliban. The most important thing that Ottawa is doing is probably to review that policy. Now the Prime Minister is admitting that we can't win.

Ms. Johanne Deschamps: You also mentioned the terrorism paradigm. In the current circumstances, are Canada and Mexico increasing or reducing U.S. power? Are they contributing to this American strength?

Mr. Stephen Clarkson: I'll answer in a general way. Canada and Mexico are the two most important countries in terms of building the U.S. economy, as a result of our markets, our resources, our oil and our labour. Canada and Mexico are very important to the United States, even though the U.S. does not recognize that fact. I say that because Canada and Mexico can negotiate with Washington with less fear and greater confidence. Now, Washington also acknowledges that its security depends on Canada and Mexico. Two years ago, Mr. Bush signed an agreement, the Merida Plan with Mexico, to provide very significant assistance to Mexican forces to fight the drug cartels. Now Washington recognizes its reliance on its neighbours, and that gives Ottawa and Mexico greater weight in the negotiations.

● (1615)

[*English*]

The Chair: Thank you, Mr. Clarkson.

We'll move to Mr. Goldring.

Mr. Peter Goldring (Edmonton East, CPC): Thank you, Mr. Chairman.

Thank you for appearing here today. I'll be splitting my time with Ms. Brown, and if there are a few minutes left, with Mr. Lunney.

I'll make a statement here and ask a question, and maybe you can answer after we've finished our rounds here, to try to get a little more in.

You mentioned trade to the United States and perhaps lessening our involvement with Mexico. But given the recession and the security, the thickened border between Canada and the United States, and the past convenience of shipping rail straight through into Mexico, we no longer have all of that convenience. It's getting more and more difficult. When we were shipping to the Caribbean through the States and from Florida, we had it.

So wouldn't we rather be increasing our opportunities by doing more from our Atlantic and Pacific ports down the seaboard of the United States for easier access? Then we would be staged to go to the Caribbean—to Jamaica, Trinidad, Tobago, and other areas. Also, by going down to San Diego in the United States, you'd be staged to do direct shipment to Mexico. Wouldn't that be an opportunity?

If that is a multi-level approach to trade and expanding our presence with the United States and through it, is it complicated by NAFTA or any of our other agreements?

I'll pass this over to Lois.

The Chair: Get your questions out and then they can answer them.

Ms. Lois Brown (Newmarket—Aurora, CPC): Professor Clarkson, you talked about the things that have changed, and you said specifically that we've lost importance in some dimensions: militarily because of NORAD and economically because we're relatively smaller. But the comment I found really interesting was that we've lost significance politically because we don't cause trouble.

For a number of years our relationship with the United States was not on the best footing. For the last three years, I would say, we have made an attempt to repair that relationship. Maybe you could comment about this statement that we don't cause trouble. Do you think we are moving into a new era because we are rebuilding our relationship with the United States and trying to create a relationship of cooperation?

I think Mr. Lunney has a question too.

The Chair: We're almost out of time already.

Mr. Clarkson.

Prof. Stephen Clarkson: Mr. Goldring, I think the answer is yes. Obviously, transportation by sea is very efficient and important to develop.

On the question of causing trouble, I'd like to refer to a very important member of the honourable member's party, namely, Mike Harris. When the Great Lakes governors and the federal government of the United States made a deal among themselves about how to divert water from the Great Lakes, there was consternation in Ontario. It happened that Mike Harris approved a company exporting huge amounts of water from Lake Superior. I think that caused so much consternation in Washington that they came to renegotiate with Ontario and Quebec a much better deal about the conditions for diverting water.

My point is that when they saw we could do damage to them—and I'm not advising that we figure out new ways to harm them—they took notice. One of our problems is that we are such good boys that compared to Mexico, China, and North Korea, they don't need to pay attention. That causes a dilemma. We are very good boy scouts. We don't want not to be good boy scouts, but it does mean they don't really care.

The Chair: I'm not certain his questions were simply for Mr. Clarkson.

Mr. Grenier or Mr. McRae, did you want to comment?

Mr. Carl Grenier: Yes.

On Mr. Goldring's point, there are only two countries that have land borders with the U.S., and that's a huge advantage because we can ship by truck. No other country has that advantage. If we're using sea routes out of B.C., for instance, on the west coast, that puts us in direct competition with all of Asia. The last time I looked at this, our seaports were quite congested on the west coast, and we're trying to do something about that now. The distances are very great. If you think of the manufacturing centre of Canada, it's still in Ontario and Quebec. I don't know that this is such a great idea.

● (1620)

Prof. Donald McRae: I have one qualification on getting their attention by being a bad guy. That did not work on the west coast with Pacific salmon. In fact, we overfished in order to punish the United States and we punished our own fishery as a result. I think we have to be very cautious about trying to make a grandstanding movement. There may be a context where it works. In another context it may not work at all.

To follow up on Mr. Grenier's point, my view is that the economics of whether trucking or shipping will be the better way to go will drive it. But I agree with Mr. Clarkson that we can't simply establish a relationship with the United States and ignore Mexico. We can't turn the clock back on NAFTA. Therefore, we have to use both routes with Mexico and with the United States in order to maximize the opportunity we have under NAFTA.

The Chair: Thank you, Mr. McRae.

We'll move to Mr. Dewar.

Mr. Paul Dewar (Ottawa Centre, NDP): Thank you, Mr. Chair, and to our guests for being here today and taking the time to present to the committee.

Mr. Clarkson, maybe I'll start with you. As I was hearing your comments, I was nodding my head, particularly around the comments on the war on terror and how that needs to be re-examined. I think that's already happening in Washington, thankfully. Some of the measures we've taken remind me of the Maginot Line. We set up and put in billions of dollars, and it has not necessarily been to the greatest effect. Others will say, no, it's kept us safe. I'm not sure; the jury is out on that. If it's to challenge that, as you say, to shift the paradigm, we need a win.

When we look at NAFTA there have been problems, as you've stated, and perhaps Mr. McRae might challenge that a bit, in terms of "we've got it, so use it". But if we're looking for a win in terms of, at least, bilateral—and maybe I'll talk about Mexico in a minute—we've had them in the past. The most recent, clear win was when we dealt with acid rain. It was an activist government. It was a Conservative government. When we look at that model, would it not behoove us to really get engaged on the environment? Cap and trade is the model that's being presented to us. If not that file, then which file would it be, in your opinion?

Prof. Stephen Clarkson: Well, I personally agree that it would be very good if Canada had a progressive position on the environment—or at least as progressive as Mr. Obama's—but both the Liberal and Conservative governments have had a completely.... Well, not the Conservatives; the Liberal government had a completely duplicitous position on Kyoto. The Conservative government was much more open. But in our relationship to that major international issue, we were very regressive.

For Canada, it's not that we can have a win with the United States on that. We would have to change our own line and become better environmentalists before Mr. Obama would pay much attention to us. At the moment, the big problem is the huge environmental catastrophe called tar sands. It's a terrible contradiction. They want our oil, but they are in effect outsourcing their pollution to us. How we deal with that in the shorter term, when technologies are not going to solve the problem, is a mystery to me.

How do we get a win with Mr. Obama? That's not clear to me. But in terms of the suggestion that we take a general approach that is supportive of his efforts in international councils, I think that would probably establish a new record of cooperating with the United States on issues where they are taking a good line, such as the environment. But that requires us to change our spots.

Mr. Paul Dewar: No disagreement from me on that.

Mr. McRae, and perhaps Mr. Grenier as well, we had my good friend Tom d'Aquino here recently. We were discussing the SPP. I was surprised to hear him say that it is essentially dead. And we've had other witnesses come forward. You've mentioned the side agreements on environment, on labour, and on NAFTA. Mr. Obama suggested when he was here—certainly it was a different tone from his campaign—that he'd like to see those folded in. There were suggestions that this wouldn't be a huge step to put them into the formal agreement and not the side agreements.

I'm wondering if you have any comments. The first issue is the fact that the SPP is dead—thankfully, for some of us, because no one really had an "in" on it anyhow—and the second issue is the side agreements being folded into NAFTA.

● (1625)

Prof. Donald McRae: On the SPP, I have less to say. Those who say it's dead are probably right.

On folding the side agreements into NAFTA, I think that's something that may well be attractive to the United States. As a candidate, Obama talked rather boldly about changes to NAFTA. Obviously that is unlikely to happen. But rolling the side agreements into NAFTA looks like a change to NAFTA. Remember, we got the side agreements because President Clinton wanted some window dressing to justify the fact that he had opposed NAFTA and now was actually agreeing to it. This would be history repeating itself, to some extent.

The question is whether something worthwhile would come out of it. Folding it into NAFTA, we'd be doing what? Would we be keeping the same provisions, so that we can have complaints being made and the governments narrowing it down and nothing much coming out of it, or moving it into something more substantive, so that the issues of labour and the environment aren't taken seriously in the NAFTA agreement? That's a big challenge, but I think it's a worthwhile challenge.

The Chair: Thank you, Mr. McRae.

Mr. Grenier.

Mr. Carl Grenier: The business of folding side agreements into NAFTA goes back to Mr. Clinton, as Mr. McRae just mentioned. I don't think Canada has anything to fear from that. Obviously, as Mr. Clarkson just pointed out, on the environment we would have to upgrade our current policies, but we had policies in the past that would have accommodated that very well.

It means also, of course, that you get trade sanctions if you violate provisions on the environment or the rights of workers. That has never been done anywhere. That would be very new, quite new. Even in the WTO context, it just doesn't happen.

We may want to think about this very hard, but basically these things are directed at Mexico. They're not directed at us.

Prof. Stephen Clarkson: Mr. Chairman, can I add one word about the SPP?

The Chair: Very quickly.

Prof. Stephen Clarkson: One of the positive outcomes of the SPP is the annual summit of the three heads of government. That was agreed to in Cancun in March of 2006. Unlike in 2001, when the United States blocked its border and in effect violated NAFTA when there was no summit at all of the three heads of government, now the President of Mexico and the Prime Minister of Canada get face time, at the same table, with the U.S. President. That's very valuable for our two governments.

It shows, by the way, my thesis that we get access to Washington by participating with Mexico. I'd really advise the committee to hang on to that and recommend that this institution be continued.

The Chair: Thank you very much. We want to thank all of you, not only for your presentations but also for the input during questions. We look forward to hearing from you again.

We will suspend for a moment while we change witnesses.

● (1630)

The Chair: Appearing before us in our second hour today we have, from the Canadian Association of Former Parliamentarians, the former Prime Minister of Canada, the former Minister of Foreign Affairs, the Right Honourable Joe Clark.

Welcome. It's always a pleasure to have you.

We also have André LeBlanc, managing director of the Canada Office, State of South Carolina.

A number of people have talked about the unfortunate fact that sometimes we have three witnesses and at other times we can't have some appear alone. We try to have these dates available and put in what we can. I can tell you both that we have very much looked forward to your being here. We thank you for adjusting, in some cases, your schedules so that you could do this. As a committee we appreciate and look forward to your input.

We'll begin with the Right Honourable Mr. Clark.

Right Hon. Joe Clark (Former Prime Minister, Canadian Association of Former Parliamentarians): Thank you very much, Kevin.

[*Translation*]

It is a pleasure to appear before this parliamentary committee. I feel somewhat at home here.

I believe this is the right time to review the important and broad role that Canada plays internationally.

I would like to make nine brief observations. I will also be circulating some charts, but I hope they will not be distributed to the audience in such a way as to detract from the very serious nature of my remarks. They will, however, need to be circulated.

Firstly, Canada enjoys a very solid reputation among the world's nations. Our reputation is a national asset comparable to our wealth of resources and it can be put to use to our mutual advantage.

Secondly, in a world marked by religious and economic differences, the most valuable skills today and for the foreseeable future are the ones that make it possible to transcend these differences, to forge alliances and to find common ground, to manage diversity and to spur confidence. These are traditional qualities that Canada has displayed in a tangible way on the world stage.

Third, using that asset is in our own national interest. One of the charts that is being circulated, or will be, reports a projection by Goldman Sachs—not economic advice, but projections of the future—which projects the changes in world economic standing of various countries by the year 2050. Canada then will be a respectable economy. We'll be a little smaller than Vietnam and a little larger than the Philippines.

In those circumstances, how long could Canada keep a place at the table of a G-8 summit? Would we even make the cut of a G-20 summit? Would we, in other words, keep our seat in the inner circle of countries that define international trade and military and diplomatic policy? Not if we focus narrowly on trade and economic policy or define our international profile by military presence alone. But the odds are that we could remain an influential country were we to renew our trusted activist, diplomatic, and development credentials.

Fourth, when Canada has been most effective internationally—and I say this as someone who served as Secretary of State during a period when we simultaneously said no to President Reagan on the strategic defence initiative and persuaded the Americans to enter into a free trade agreement and an acid rain treaty—it has been because we pursued two priorities at the same time. We worked hard on our friendship with the United States and we worked hard on an independent and innovative role in the wider world. Those, sir, are not opposite positions. They are the two sides of the Canadian coin.

Our access to Washington adds real clout to the standing we earn by our actions in other countries, because we are thought to be able to influence our powerful neighbour.

● (1635)

In the same line of thinking, our sound reputation in developing countries and our active role in the multilateral community are not negligible assets for Canada. The United States cannot say as much.

In the past 60 years at least, Canada has established partnerships and earned the trust and respect of regions where the United States sometimes creates envy or fear. This capability of Canada's is definitely understood by President Obama's administration.

Fifth, power in the world is changing. The new world that is taking shape holds out a twofold advantage for Canada. We are an industrialized and innovative economy and society. We are an independent and respected country, often a bridge between the industrialized and developing countries.

[*English*]

As Fareed Zakaria is careful to note in his book *The Post-American World*, this shift in power is not about anybody's decline. It is rather about the rise and assertion of new forces. We have more capacity in Canada than most of the developed world to build and enlarge relations with the cultures and societies whose influence in this world is growing. So many of those cultures are dynamic parts of our own Canadian identity, and our past actions have earned the respect of the developing world.

Sixth, Canada can have relatively more influence in politics and diplomacy than we do in trade and economics. Economic power reflects size. Diplomacy depends more on imagination, agility, and reputation. Canada's political and diplomatic strengths have more currency, again, if we choose to use them. Yet we are eroding those strengths when we should be building them up.

Seventh—and again, one of the charts circulated relates to these figures—there are three departments in the Government of Canada with explicit international vocations. They are ranked here according to the government's published spending reports for the year 2008-09. They are National Defence, which accounts for 8.29% of federal program spending; CIDA, which accounts for 1.39%; and Foreign Affairs and International Trade, which currently accounts for 1.0% of federal program spending. Compared with 2007-08, the Department of National Defence budget increased by close to 8.4%. CIDA's increased by 0.68%. The Department of Foreign Affairs and International Trade dropped by 17.96%. DFAIT estimates that this decline will continue for at least the next two years and that by 2010-11, its budget will decrease by another 13.38%. In real terms, that would mean a loss of $700 million in just over three years from a budget that is now approximately $2.4 billion.

Eighth, to the Harper government's credit, Canada has now increased its defence spending to repair the damage that was done when we let other countries carry an increasing share of our defence burden. Yet our diplomatic resources and our development capacity are being run down now as steadily and as certainly as our defence resources were run down before. So why the double standard? Why are we more prepared to accept our share of the military burden than of the diplomatic and the development burden?

There are a number of issues I would like to address, but perhaps we will deal with those during the questions.

Finally, I just want to make a point about what modern foreign ministries can do, because I am more aware than others, perhaps, of the differences between the period when it was my privilege to serve as Minister of Foreign Affairs and today. The world has changed profoundly, and it has had an impact upon what countries can do. But one dramatic change in the world has been the increased role and authority of NGOs and activists, individuals and organizations who range from the International Crisis Group, which gives perhaps the best briefings one can find on international affairs, to the Gates foundation, to the environmental movement.

Very often these new actors are more nimble and less constrained than governments, or large institutions like the UN, but while they complement the work of governments and international institutions —and this is a point I want to insist on—they don't replace them. This is still an institutional world. Sovereign states still make the critical decisions to cut or to increase budgets, to respect or to break treaties, to send or to withdraw troops, to pay or withhold their membership contributions, to confront or ignore crises.

So the challenge now, and the opportunity now for a country like Canada, is to marry mandate with imagination, combine the creativity of these independent forces with the capacity of institutions to act. In Canadian experience, that is what happened in the fight against apartheid, in the signing of the land mines treaty, in the Kimberley Process to stop the trade in blood diamonds, and in a wide range of less-publicized initiatives.

● (1640)

We could make that a Canadian practice if we gave priority again to development and diplomacy.

Thank you, Mr. Chairman.

The Chair: Thank you, Mr. Clark.

We'll move to Monsieur LeBlanc.

Mr. André J. LeBlanc (Managing Director, State of South Carolina - Canada Office): Thank you.

Let me begin by thanking the committee for the privilege of speaking with you this afternoon. I would add that to do so in the company of Mr. Clark is a privilege indeed.

[*Translation*]

South Carolina has long maintained significant economic and cultural ties with Canada. In 2007, we received more than 850,000 Canadian visitors. Most of them, approximately 80%, spent their vacations on our beaches. Others came on business visits.

According to Canada's embassy in Washington, trade between South Carolina and Canada supports approximately 85,000 jobs in our state. Although it is hard for us to reconcile that level of employment, I can assure you that we are grateful for it and that relations between Canada and our state are of prime importance.

[*English*]

I should emphasize that I represent the State of South Carolina, not a country. We're a trade and investment office, so what I can perhaps offer to benefit your deliberations is our insight into how we develop these trade relationships and economic development opportunities or investment.

We are a very small state of roughly four million people. Our land mass is slightly larger than New Brunswick. It might be equal if the tide's out in the Bay of Fundy, but other than that we're about the same size. Our economy is historically based on agriculture and textiles. For those of you who know about this, we have essentially redeveloped ourselves in the past two decades. We're now very much focused, with a very successful effort, on economic development and growing our manufacturing, logistics, distribution, and tourism sectors. But the economic downturn is certainly having a major impact on us. We are a manufacturing state, but we're also a very fiscally conservative state. For that reason we feel we'll certainly be on the early end of the turnaround.

I appreciate that time is limited, so rather than rhyming off a bunch of trade statistics I'm sure you're all aware of, let me conclude by saying that whether as a tourist destination or a business-friendly place for Canadian industry to access and grow their U.S. markets, we have a long and valued history of welcoming Canadians, and we certainly appreciate the importance of building on this very important relationship.

Thank you.

● (1645)

[*Translation*]

Once again, thank you for inviting me today.

[*English*]

The Chair: Thank you, Mr. LeBlanc.

We'll move into the first round.

Mr. Pearson.

Mr. Glen Pearson: Thank you Mr. Chair.

Thank you both for coming. It's an honour.

Mr. Clark—fascinating. I travel a fair bit across the country speaking at universities. What I'm sensing within the country is a very strong desire that Canada's image in the world be enhanced. This is happening at the same time you're talking about how we've been losing our way somewhat in the last while.

My question to you is a brief one, but it's a bit complicated. I know the world is also changing and the world order is changing. If Canada were to start investing again in a foreign diplomatic service through CIDA development and other things, we don't just want to throw money at it. How could we best apply our resources, if we were to increase them, that would take advantage of the Canadian desire that we be out there? I don't even think they're looking to government any more to do it; they're finding their own auspices to do it.

As a result of this changing order in the world, Canada may be losing significance because others are growing. How can we best leverage those resources if we want to be a presence in the world again, diplomatically and in development?

Right Hon. Joe Clark: Thank you.

I think a risk is that young people are not looking to governments. And I quite understand and encourage their interest in NGOs and the things they can do personally. It's much larger than it was in earlier generations. That's why I insist on the point that the decisions that are made in a world of institutions are made by governments. So we have to find some way to marry those.

One of my sad observations about Canada is that if you ever ran a referendum on foreign policy—I don't recommend referenda, but if you did—you would not get strong support for international initiatives. Our stellar record internationally has always been led by leaders. It's been multi-partisan in this country, and there is a strong grassroots interest in these matters, but it is not something that rises from the grassroots. It has to be led.

The third point I'd make is that the old models of how CIDA worked and of how External Affairs worked when I was the minister have been changed. One of the things that is necessary is to engender confidence in our public servants and others, the people who work with those departments, to look creatively at the changes.

What worries me most now, when I talk to people who serve both in our diplomatic and in our development agencies, is how down they are, how unwilling they are to speak with confidence about missions that not very long ago used to fill them with a sense of confidence. That is an institutional problem, which I believe is within the capacity of this committee to help address.

There needs to be, first of all, a recognition that there is a wide world in which individuals can make a difference. But the final differences require shoring up of our institutions. Those institutions have to take a look at themselves in modern and contemporary terms. Some of the best architects of change will be people who had been working in those institutions but who are now ground down by the sense that their contribution is not respected. They and others, I think, could make a substantial contribution to change.

The other thing is that, whether we deserve it or not, our reputation is still very high in the world. It won't stay that way forever, but it is still very high in the world, including, I believe, with the new Obama administration. There is a recognition that there are things we can do in the hemisphere and in the world that the United States can't do. I don't want to comment on recent performances. I simply want to make the case that this reputation remains strong and is an asset in Canada's hands.

Mr. Glen Pearson: I'll leave time for others.

The Chair: Monsieur Patry.

[*Translation*]

Mr. Bernard Patry: Thank you very much, Mr. LeBlanc and Mr. Clark.

Mr. Clark, you mentioned

[*English*]

the role of NGOs and the activists in the world right now. How can we match the Department of Foreign Affairs in these roles? It seems that NGOs right now have more power in a sense than does DFAIT. As you mentioned, right now the number of people leaving DFAIT is high. The number of young people leaving DFAIT is also very high, and we don't have any *relève*. We don't have anybody to replace them. They don't feel they have anything to do over there, because the solutions are not found through the department; they're found somewhere else.

● (1650)

Right Hon. Joe Clark: I have two comments on that. One, people are leaving not because there aren't things to do but because their budgets are going down. People don't stay in organizations the masters of which don't evidence much interest in them. And unfortunately that is the case here. I believe that if there is more attention and a greater role given to Foreign Affairs and to CIDA, that will change.

I have a personal view. I don't understand—and I haven't understood for a long time—why Finance continues to function as a central agency, in effect, and Foreign Affairs has been downgraded to the position it has, when we live in an international era. So many of our decisions, so much more than ever before in our history, are affected by international factors.

We've recognized that on the economic side. We have one powerful department that coordinates activities on those fronts. We don't have that at all. We've dispersed dangerously, in terms of our international presence in the world. I understand the multitude of reasons for that. Individual departments want to represent themselves internationally. But I think it is a major mistake, and it leads to a sense of despair among professionals.

As to competing with them, don't compete with them; cooperate with them. You will rarely hear me praise Lloyd Axworthy, but Lloyd Axworthy made a significant contribution in the land mines treaty. Here was a movement generated by NGOs—governments wouldn't do it—but it couldn't come to anything decisive without a government stepping in. And it's not the only time that has happened. Norway is doing that regularly. Other countries are doing that regularly. Canada used to do it regularly and can again.

The Chair: Thank you very much, Mr. Patry.

[*Translation*]

Mr. Crête, you have seven minutes.

Mr. Paul Crête: I'll be sharing my speaking time with Ms. Deschamps.

Good afternoon, Mr. Clark and Mr. LeBlanc.

Mr. Clark, I would like to make sure I clearly understood you. As the best way of expressing our recognition to Mr. Obama for his election and his different way of doing things, you are suggesting that we make this change of launching into a catch-up exercise in the area of investment in democracy and development, rather than in the military. Is that what you're telling us?

I'd like you to state what significant and symbolic actions Canada could take specifically.

Right Hon. Joe Clark: One thing is interesting with regard to the Obama administration. In her first speech as Secretary of State, Mrs. Clinton emphasized the importance of development on the one hand and diplomacy on the other.

Of course, the United States, like Canada, will continue to play a military role and a traditional security role. So we've accepted that in its case, and we must accept the fact that in our case, there's been a decline in importance of our roles, other than those related to national defence, which are essential in today's world.

We are lucky in Canada. Canada adopted this position long before the United States did. That position has now been adopted by Mr. Obama.

One possibility is open to us. We have what it takes to be a partner that is consistent with the aspirations of the new U.S. administration.

Mr. Paul Crête: Is there a symbolic issue on which you would expect action by us?

For example, the President of the United States has just invited Mr. Ban Ki-moon to meet him. That is a recognition of the United Nations that the Bush administration didn't make.

Could Canada, and not necessarily in the person of the Prime Minister, take what you would consider more appropriate action, in relation to Africa, for example?

Right Hon. Joe Clark: Canada would probably not be able to make a great gesture. It is harder for us to make great gestures. However, we could make a specific commitment in Africa or the Caribbean, for example. The Caribbean is experiencing terrible problems. Other countries ignore the Caribbean islands. In view of the current economic crisis and its major impact on those small islands, and particularly in view of the threat of organized crime in that region and in central America, Canada will perhaps have a role to play. Canada could play that kind of role much more effectively than the United States.

● (1655)

Mr. Paul Crête: Mr. LeBlanc, you occupy a very strategic position, which consists in promoting a U.S. state to Canada and vice versa.

You are here, in Canada. From your perspective, what are the most important actions that Canada should take so that its image in the United States and its actions enhance exchanges between the two countries, for example?

Mr. André J. Leblanc: I don't know whether you're familiar with the SEUS-CP Alliance, which is an association of Canadian provinces and U.S. states. It's precisely that.

With your permission, I'm going to answer you in English.

[*English*]

I've been living in the States for 12 years and I'm a little more comfortable in English at this point.

We find that what politicians can really bring to the table is their gravitas. It's very difficult to bring corporate leadership together at any given place, at any given time, and we've been very successful. I think SEUS is an example of that, whereby we've really been able to advance trade and commerce by bringing in the political leadership and their business contingents. We found that to be very successful, certainly in SEUS-Japan, in SEUS-Europe, and now with SEUS-Canada, which was founded in 2007. We had the inaugural meeting, I think you'll recall, in Montreal in 2007. That's certainly one example where we've been very successful.

I personally have been able to work with Canadian consulates in Atlanta and Raleigh, which I have certainly found to be useful, but there doesn't seem to be the same response on a commercial level that we find—certainly at our state level—just in working with industry. And again, I'm not an expert on what Canada does per se in its consulates, but with the individuals I've worked with, they've always seemed underresourced and generally unavailable. So certainly that might be an approach you might want to consider.

[*Translation*]

Mr. Paul Crête: You agree with Mr. Clark that the decline in the number of resources and their availability or additional training would be appropriate.

Mr. André J. LeBlanc: Definitely.

Mr. Paul Crête: In that way, the multiplications would be more effective.

[*English*]

Mr. André J. LeBlanc: I'll use as an example the U.S. Commercial Service. Most American states, when they're seeking to expand trade in any particular region, will task the U.S. Commercial Service through the consular offices in that location, which will bring tremendous resources to bear. Now mind you, it is a pay-as-you-go approach; so these programs are self-funding, if you will. To be honest with you, I don't know if that's available through the Canadian consular service. Certainly, as a commerce official for the State of South Carolina, I've never been approached by them, so I have to assume it's not something that goes on, generally speaking.

The Chair: Thank you, Mr. LeBlanc.

Madame Deschamps, you'll probably have a second round, but go ahead. You have a minute.

[*Translation*]

Ms. Johanne Deschamps: I'm going to continue along the same lines as Mr. Crête.

Mr. Clark, you said at the outset that Canada has a sound international reputation. You made seven main points in your address. You also talked about the increased funding that Canada is allocating to defence, to the detriment of diplomacy and development.

I'm particularly interested in issues that concern Africa. I have very close ties with non-governmental organizations in the field that must leave the field for lack of funding or because programs that have expired have not been extended.

Is it somewhat troubling to see our NGOs leave Africa, in view of the vision those countries have of Canada's role? Canada's credibility is being very much undermined, for lack of NGOs and humanitarian assistance. This is all the more troubling when we know that the government has just made cuts in that area once again. I believe it has removed seven countries from the list of persons...

I'm going to let you speak on that point.

● (1700)

Right Hon. Joe Clark: Canada has reduced its presence in Africa, and I regret that approach. However, we haven't lost our reputation. It can be regained or reinforced.

I didn't say that expenditures were being allocated to defence to the detriment of development. I can understand why priority is being given to defence, not to development and diplomacy.

CIDA has just reviewed its policy regarding its global presence. This is not good news for Africa. Personally, I don't understand the reasons why CIDA has made those decisions. I believe they aren't related to development policy. In short, Africa could well be disregarded by a number of major powers. Canada does not have the same presence as it did at the time of the war against apartheid or of the G8 meeting in Kananaskis. This is the most difficult region in the world.

[*English*]

The Chair: Thank you.

We'll move to the government side.

Mr. Lunney, please, then Mr. Young.

Mr. James Lunney (Nanaimo—Alberni, CPC): Thank you, Mr. Chair.

Thank you very much to both of our witnesses here.

Mr. Clark, I just wanted to pick up on your remarks earlier. You remarked about our proud history of engaging and working hard on two priorities: we have worked hard on our relationship with the United States and we have worked hard on our independent foreign policy. You made a remark about how the world is changing and that our policy should be innovative and independent.

But I think you appropriately described the multicultural nature of Canada, which gives us the opportunity to be a bridge to many parts of the world, because we have many historic and cultural links.

The challenge, as you said, for a small country is to come up with some focus. A lot of our discussions in our hearings so far have been about Canada and the U.S., and we've had some discussions about Canada, the U.S., and Mexico. You might have heard some of the discussion with the previous witnesses about whether we should be concentrating on a trilateral relationship or be shifting more to a bilateral relationship.

I simply wanted to ask, first, for your take on that particular issue, whether Canada should be emphasizing more a bilateral relationship than a trilateral one.

By the way, Mr. Chair, I'll fire the questioning down to my colleague here, Mr. Young.

The Chair: We'll go to Mr. Young, and then we'll let Mr. Clark answer and then Mr. LeBlanc can answer at the same time.

Mr. Terence Young (Oakville, CPC): Thank you. I'll try to be brief.

Mr. Clark, it is a dangerous world since 9/11, as we know. We know in Afghanistan that what we've accomplished in our military by equipping them properly has allowed them to bring order with 36 other countries so that we could build dams and schools. There used to be a few hundred boys in school and now there are five million children in school. So military, development, and aid seem to go hand in hand.

Is it a matter of money? You're saying you approve that we've given them the best equipment; I think they're the best equipped troops on the ground. You know that in government it's all about tough choices. So if it is a question of money, where would the money come from? If it's not a question of money, what is required to be successful?

Right Hon. Joe Clark: First of all, on the North American issue, I think we should emphasize a trilateral arrangement. I think the Canada-U.S. arrangement is very important and requires a lot of our attention. A lot of our challenge has to be to keep getting their attention. I don't think that would benefit from hiving off Mexico.

I wanted to avoid speaking of the past, but the first issue that came to me as foreign minister in 1984 was a request by Mexico for help in getting into the GATT. So in 1984 our NAFTA partner was not a member of the GATT. What's interesting is that they wouldn't go to the United States for help; they came to us. I think there are a multitude of reasons for us to maintain that tripartite arrangement.

I think the very tough issue for Canada and this committee is going to revolve around the issue of how we make the tough choices and where should the spending go. Within the envelope of spending on development and diplomacy, where should it go? The other side of that is, where should it not go? The questions are tightly allied. I hope you have the opportunity to take a very close look at both of those questions.

The Afghanistan question is very interesting, because, among other things, there has been a side to the military demonstrated that not many people knew about. It is a side that has real proficiency and skill in development and in other non-traditional military capacities. But that's not their first job, and they're naturally going to take an approach to that through the lens of what their first job is. I suspect that even though we have had enormously able people from Foreign Affairs and CIDA operating and working with DND in Afghanistan, our approach to the development side, the post-conflict side, if you will, of Afghanistan, would have been stronger had there been a greater sense of morale, esprit, and confidence among the Foreign Affairs and CIDA people who were part of that approach.

You know there is a very active debate in the U.S. as to whether development issues should be led by military personnel or not. We haven't had that debate, and we don't tend to have those kinds of debates here. We didn't debate whether or not there should be an increase in military spending. No vote, no debate.

● (1705)

Mr. Terence Young: No vote, no debate on it. The one in Afghanistan went on for years with no vote and no debate.

The Chair: Thank you.

Mr. Abbott.

Hon. Jim Abbott (Kootenay—Columbia, CPC): Just very quickly, I guess the Right Honourable Mr. Clark and I will have a difference of opinion here, in that if you cannot maintain the integrity of a dam you're building, if you cannot keep a school standing because of the Taliban, then what is the point of building them? I suggest the difference of opinion rests in the fact that I believe we have that capacity because we have the Canadian soldiers there who are doing their job, and as a result of them doing their job we can deliver the aid and the development assistance that we want to do.

Right Hon. Joe Clark: With respect, I don't think we disagree at all. I strongly support the military activities of Canada in Afghanistan. I even support in general terms the increase in the defence budget. I wish it had been debated. I wish there had been a broad discussion of priorities at the time, and I hope you might be able to do that now in the committee.

There's no doubt that development can be wasted unless there is security. The question is whether we would be getting more security or getting better development, more durable development, if there had been a broader perspective in the development programs that we're necessary partners to the security investments. I'm not suggesting pulling money away from Defence for Foreign Affairs and development. I would look elsewhere in department budgets. I know it's a hard time to do that, and I don't propose to do it today, but I would look elsewhere for those sorts of things.

I think our international presence is essential. I regard the increase in defence spending as a good first step, but we're undervaluing the investment we made in Defence if we don't back it up in associated fields, in my view.

The Chair: Thank you, Mr. Clark.

Mr. Dewar.

Mr. Paul Dewar: Thank you, Mr. Chair.

To our guests, thank you.

I have to say, Mr. Chair, it is an honour. Something that Canada needs to improve a lot on is taking advantage of the fact that our former Prime Ministers have a lot to say. I'm glad we're hearing the sage advice of a former Prime Minister. Maybe a recommendation to the committee is that we do a better job of that. They certainly do a better job of that in the States than we do here.

But it's good to have you here today.

I actually had the opportunity to hear you speak recently on Canada's role, and it was vis-à-vis the United States. You made some of the same points today—I also look forward to the data you tabled for us to look at—in particular your point on budgets, because as everyone around this table knows, money is important and how money is spent is important. I've always said that the budget of any government shows to Canadians the priorities of the government. So I think that data is important for us to understand.

I want to start with you, Mr. Clark, on Canada's role with the United States as it relates to Mexico—we talked a little bit about that with the previous witnesses—and your take on how we can involve them on the environment.

It was interesting to hear Mr. Obama talk in trilateral terms when it came to climate change. When I asked a departmental official about who was taking the lead on the environment in cap and trade, it certainly wasn't Foreign Affairs. However, at times we hear the Minister of Foreign Affairs suggesting this is a major initiative. I would like your opinion, because of your experience with the acid rain treaty in particular, about how Canada should deal with the issue of particularly the cap and trade, because that seems to be where we're going—I think that's a good thing, and it certainly was something we campaigned on—and how it relates to Mexico and who should actually be the lead ministry on it.

● (1710)

Right Hon. Joe Clark: Here's an observation. I think one consequence of the Obama election, on environmental issues, is that the inclination to sort of set the developed world off against the developing world is over. I think we've passed that phase. I don't think it's something in his mindset. And given the immense influence the Americans have on this file, because they were regarded as being recalcitrant before, I think we could have a more productive debate about moving forward together.

The question you're raising now has broader implications than simply a conversation among the three members of NAFTA. If we can find some formula that takes account of the differing situations with which these nations approach environmental questions, that could well hold some guidance for the future.

Who does this? You know who did this in acid rain? The ministers took the credit; the members of Parliament did it. There was a very active movement, led by the late Stan Darling, the MP for Parry Sound—Muskoka, but joined by several of his colleagues, who simply worked the lines all of you know, with the members of Congress and the Senate in the United States, and persuaded them that there was a real issue here. They were followed up by ministers.

In that case, I suppose because it was a different era, Foreign Affairs—External Affairs at that time—probably was the lead ministry. However, in another sense the PMO was the lead ministry—the Prime Minister was deeply engaged in that issue—and Parry Sound—Muskoka was a lead influence. These environmental issues, at least in the Canada-U.S. context, I think are international issues but also highly local, so they are almost tailor-made for collaboration among members of Congress and members of Parliament in Canada.

The Mexico side, I can't comment on. My experience doesn't apply to that.

Mr. Paul Dewar: I have two other questions. Maybe I'll start with one and see where we go.

When it comes to Canada-U.S. relations, something that is extremely important is international affairs, and security is obviously very important. Canada is looking at winning a seat on the United Nations Security Council. We've had witnesses here who've said there needs to be a very concerted effort to win that seat. No one would disagree, I'm sure, but we have to have something in the window to show that when you vote for Canada for the Security Council, you'll get this.

One of the things that is possible is that Canada can bring a process to the next steps in Afghanistan. One of the things we've heard is not just having an envoy, because there are envoys being sent, etc., but actually have Canada involved in setting up an eminent persons group to set the table for a contact group. This would be part of a UN process.

What would you think of Canada involving itself in something like that? Do you think it would help us to win a seat on the Security Council?

Right Hon. Joe Clark: I'd separate the two. Winning seats on the Security Council is tougher than the constituencies most of us have run into, and odd factors apply.

On initiatives, the importance of initiatives from Canada's perspective is that we do have credentials that other countries don't have, but we can't be taking those initiatives for Canadian reasons. It can't be a Canadian action for action's sake. It has to be a Canadian response to a real need. If, as may well be the case, there is a real need for a balanced, respected group that could plan the next steps in Afghanistan, then yes, Canada should be taking an active role because we have experience on the ground—very strong experience on the ground—but also because we have a credibility beyond the countries that have experience on the ground that might make a contribution. But don't do it unless it's necessary.

● (1715)

The Chair: Thank you, Mr. Dewar.

We will go to Madam Brown.

Ms. Lois Brown: Thank you, Mr. Chair.

I have just a comment.

Mr. LeBlanc, some years ago I worked for a Canadian company that did a considerable amount of business in the Carolinas. Our office was actually located in Raleigh-Durham. I spent six delightful months down there representing a company and enjoying the hospitality of the southern states. I would recommend that they do learn how to use teapots, though. It's a sad neglect, given the fact that they had the Boston tea party, that they have never really learned how to use teapots.

My question is for Mr. Clark, and thank you very much for your presentation.

I want to talk about your discussion about the increased role of NGOs and activists particularly, an area that I would like to explore more in my responsibilities. One of the things that we have seen is the ability for them to react very quickly, particularly in catastrophic situations. Think of the tsunami that we had and how those NGOs were able to get aid into countries, and there are organizations like those you mentioned, the Bill & Melinda Gates Foundation. What comes to mind for me is World Vision and the great work they do around the world, or the international Red Cross and how responsive they are able to be.

I go back then to the discussion about the budgets, where we see that CIDA has more money in its budget than DFAIT does. I am wondering, and this is purely speculation on my part, if there is a significant change in the ability of technology. My sister worked for USAID in Kenya for a number of years and she commented about how, over her years there, the differences in technology—even in the years that she was in the office—increased the ability of USAID to get goods to the ground for the people who needed them. Is that perhaps part of what we're seeing here, that the money has been shifted from DFAIT into CIDA, and rightly so, because then we can supply more health services, more food services, more education services? Is that part of this equation?

I read the Thomas Friedman book, *The World Is Flat: A Brief History of the Twenty-First Century* , and he talks significantly about the ability in communications and how that has changed so much of what we're doing. Is it possible that is part of what we're seeing here in this changing world?

Right Hon. Joe Clark: There is absolutely no doubt that technology has transformed the effectiveness and the capacity of governments and non-governmental organizations, and that's something of which account has to be taken. It raises very real questions about traditional approaches to diplomacy and to development.

But is that the explanation in Canada? I don't think so. I wish there had been a strategy that led to that. My suspicion is that.... I mentioned earlier my observation that leadership on international policy has to come from leaders. There needs to be an advocate somewhere.

In recent years I don't think there has been an advocate for either CIDA or Foreign Affairs when national priorities were set within the government. And perhaps this is a comment on the priorities this committee has to look at.

So I think part of the reason the CIDA budget is high is that commitments were made by earlier governments in the context of G-8 summits, specifically to Africa, that's very difficult for any government to step away from. I think that may well have inflated some of the budgets and the commitments that apply to CIDA now.

I also believe CIDA is in urgent need of a very thorough review of its functions. It would be a hard review, because so much has gone wrong—so much has gone right, but so much has gone wrong with CIDA over the decades of its experience that debate could focus too much on particular failures. That won't get us anywhere.

The notion I'd like to see pursued is to take the idea that inspired a Canadian presence in international development—and I should say for the record that the idea was first captured in law by Mr. Diefenbaker's Progressive Conservative government prior to the creation of CIDA—and take a look at what we thought we could do in the world as it then was and how we would take that thinking and apply it to the world as it now is and determine an effective development policy.

● (1720)

The Chair: Thank you, Mr. Clark.

We'll go to Mr. Patry.

[*Translation*]

Mr. Bernard Patry: I'd like to put a question to Mr. LeBlanc and then another one to Mr. Clark.

Mr. LeBlanc, you say that, in South Carolina, you rely somewhat on the consulate which is in Atlanta, Georgia. In the past, this committee conducted a study on international trade and suggested to the government that it make an enormous increase in the number of consulates in the United States. It did so in one of the recent budgets. We're often told that the person responsible for trade in one of those consulates can go to various U.S. states, but it doesn't work that way.

Do you think that, if we increase the number of consulates and the number of people working in trade in those consulates, as in South Carolina, that could really help increase trade between Canada and the United States?

[*English*]

Mr. Clark, I have a question for you also. Last week, Peter Harder, former deputy minister of Foreign Affairs, talked to us about the projection for 2010 and 2015. I don't know if it was a goal or a projection, but he pinpointed that Canada will be, as you mentioned, a respectable country. But in fact we're not represented in the emerging countries. My question is, how do we engage with the emerging countries? I'm talking mainly of China, India, Brazil, and some other countries, because it is now time to engage for the future and not to wait for 10 or 12 years from now.

Right Hon. Joe Clark: Do you want to go ahead, Mr. LeBlanc?

[*Translation*]

Mr. André J. LeBlanc: It goes back somewhat to what I said earlier. We often work through a U.S. consul. It's very effective; it enables us to reach business people and bring them together. If that option existed to a lesser degree, there would be a direct impact. It's very cost-effective indeed. In short, my answer is yes. There's no doubt on that point. If there were a greater presence, greater availability of people who can support missions to the United States, that would be very beneficial, I'm sure.

[*English*]

Right Hon. Joe Clark: We have extraordinarily strong relations of various kinds with those major emerging countries. Take India, for example. Not only do we have a substantial population in Canada of people of Indian origin that maintains very close connections, but we also are members of the Commonwealth. That's not an organization; it's a tradition. Their way of looking at laws and order might not always look the same, but they are based on the same roots. For reasons that are difficult to gauge, we have not made enough use of those connections, but there are natural connections there.

When Canada used to be involved very actively in mediation processes, typically you would find that the Canadians and Indians were the co-chairs of various committees. We were in Cambodia. We were in Vietnam. We were around the world. There's a very strong basis there, and it's something we can build on. It's historic, and it's current. And it's very ambitious. It's very active with the populations here. So we should be able to do a lot with that.

The Brazil connection has been less well developed, but it's full of potential. One of the interesting side elements of what's happening in Haiti now is that the Brazilians are playing an increasingly active role, with Canadian encouragement. If you wanted to name a region in the world where Canada can do things the United States can't do to move forward, it is the Americas; it is our own hemisphere. They have the disadvantage of being the big guys in the hemisphere. We took our seat at the OAS precisely because we had an unusual ability to do things the Americans couldn't do and that others wanted done. There's a potentially strong partnership with Brazil and with other emerging countries.

In China, there's a very strong tradition. I don't want to get into the China question here except to say that the Prime Minister made it very clear that he intends to visit China soon. I join others who urge that it should be a comprehensive approach, probably preceded by a number of ministerial visits. It's an enormously important relationship with Canada. I think it's fair to say that China is less open to us than it might have been a couple of years ago, because it doesn't understand the initial policy that was followed by Canada. But I think that can easily be repaired.

I believe that if we are serious about it, there are a number of very strong linkages with those emerging countries. What I'm saying is that we have to build on those linkages, some of which are economic and some of which are political and diplomatic, if we want to get farther than our economic strength alone can take us.

● (1725)

The Chair: Thank you very much, Mr. Patry.

I'm going to go back to Mr. Abbott, but before I do that, I would like to ask one question.

There are a lot of potential reasons why we should or shouldn't do this. There's duplication going on in the field. My question is whether you think we should merge CIDA and Foreign Affairs.

Right Hon. Joe Clark: I wouldn't, because I think the CIDA mandate would become lost in Foreign Affairs. Having said that, I think there needs to be a very serious consideration of what the contemporaries see the mandate to be. I don't think that has begun anywhere.

I wouldn't merge them, because my belief, not yet proven, which requires consideration, is that there is a contemporary role for CIDA in this world, but we haven't defined it. My experience with CIDA is that if CIDA is too closely involved with Foreign Affairs, it can lose its capacity to perform its specific mandate.

The Chair: The question was asked last week of Paul Heinbecker, and he unequivocally said yes, for two or three reasons, and he listed them. It's something that has been thrown out there.

We appreciate your input on that.

We'll go to Mr. Abbott, please.

Hon. Jim Abbott: Just very briefly, Mr. Clark. I was pleased to hear your comment about the Americas, because, as you are well aware, our Prime Minister has gone with the Americas initiative. But I would like to give you an opportunity to perhaps clarify something with respect to your comments on Africa. The fact of the matter is that this government doubled our aid to Africa. We are in line with the objective of being able to achieve that doubling by the end of this month in which we sit. I don't imagine that you were trying to say that we have shortchanged Africa, when in fact we have doubled it.

Furthermore, with our policy of targeted nations, we are going to be in a position to walk and chew gum. First off, we are going to be able to give the acknowledgement to the Americas they deserve with respect to the Prime Minister's policy. Secondly, we are going to be able to focus our assistance, our development. As you would be well aware, there are tens if not hundreds of thousands of people in Sudan and Darfur and other parts of Africa who are alive because of Canada and the generosity of Canada. I'm sure that, upon reflection, you wouldn't want to leave the readers of the Hansard of this committee with the impression that you were saying that our government was shortchanging Africa.

The Chair: There are millions across the country who read the Hansard from this committee.

Mr. Clark.

Right Hon. Joe Clark: If I were still a parliamentarian and engaged in partisan debate, I'd be tempted to say that I don't think they would have drawn that impression until you entered the idea into the record of Hansard.

Some hon. members: Oh, oh!

Right Hon. Joe Clark: Nonetheless, on the Americas, I think one of the really fortunate things that happened is that the current government established its Americas policy before the election of a new president, because it's not going to look like a Johnny-come-lately initiative. I think now the challenge—and it's being acted on in part by the changes in aid allocations—is to make real use of that.

I'm very impressed by the work of the new minister in this field. I've just spent a couple of days in Washington speaking with people who work in this area, and his impact is being felt and the country's capacity is well understood.

On Africa, I think we could get into a debate, which probably doesn't serve much purpose, about aid levels. I think the attention paid to Africa by Canada has declined, in particular on the governmental side. You're absolutely right, and others are absolutely right, that it has not happened with regard to NGOs and faith groups and others, who are more present and more effective than ever in Africa. And I don't think this should ever be a partisan matter.

My view of this is that Africa is an immensely resourceful and highly troubled continent, and it needs attention, and it needs friends in the developed world. Very often, we have been able to provide some of that friendship. We have great capacities to get a lot of bang out of a few bucks simply because we have that strong tradition. I would hope that it would be pursued vigorously.

● (1730)

The Chair: Thank you, Mr. Abbott.

Monsieur Crête.

[*Translation*]

Mr. Paul Crête: Thank you, Mr. Chairman.

[*English*]

The Chair: Very quickly.

[*Translation*]

Mr. Paul Crête: Mr. Clark, I would like to go back to what you just said about Africa. We're going to begin a study in the committee; that's one of our next priorities. I would like you to explain a little more what the two or three major issues for study should be in terms of the choices that are to be made so that, in six months or a year, Canada has a revised policy on this continent, not just piecemeal decisions.

Right Hon. Joe Clark: May I consider that question and perhaps submit something in writing to you?

Mr. Paul Crête: That's fine.

[*English*]

The Chair: Mr. LeBlanc.

Mr. André J. LeBlanc: Briefly, referring back to Dr. Patry's question, just for the sake of clarity, more is better. I did not mean to infer that Canadian consular offices were understaffed or underfunded. So referring to your question, yes, more is certainly better. It's a wonderful modality, but I certainly didn't mean to infer that you're understaffed or underfunded.

The Chair: Thank you.

Mr. Clark, I have just one other quick question.

During the 1980s, while you served in the capacity as minister there, we had a very close relationship with the United States. In fact, we've heard in previous meetings that George Shultz and you had a fairly close friendship as well as a professional working relationship. He called it “tending his garden”. He could go all around the world, but he felt he needed to tend the garden at home, and almost quarterly you would meet.

Is there a fear that our foreign policy with the States is going to be built around personalities? Maybe that was good; maybe you have to foster those personalties. But everyone is looking now, with this new administration, at this being a time of hope for the world. Is there a fear that we change policies based on who's in power, and then go back if they aren't, and that in the long term it can hurt our close friendship and relationship that we have with them?

Right Hon. Joe Clark: I think that has to be avoided. It's a very important question. What was effective in the relationship between Secretary Shultz and me in fact was the structure that had been put in place, and to give credit where it is due, I inherited the structure. It was put in place by Secretary Shultz and Allan MacEachen when he was minister, but we both made it work. It had the following advantage. A Canadian foreign minister can't avoid being preoccupied with events in the United States, but a United States Secretary of State has to work very hard to pay any attention to Canada. Those regular meetings every quarter meant that there was a period of time when the Secretary of State of the U.S. had to put everything else aside and focus on details, often very precise details, about Canada, and it meant we were constantly getting very high attention.

The office that dealt with the Americas had a lot of Canadian experts in it when I was fortunate enough to be minister. Later, the experts tended to come from elsewhere in the Americas, so there was, on a structural level, a decline in the frequency and the quality, I would say, of the consultation. I think if there were some opportunity to rebuild that kind of structure, it should be seized upon, and I would think it's the sort of thing one would want to act on early to cause the American administration to pick it up as a good idea. It survived personalities; it wasn't personality-dependent. It worked with MacEachen and Shultz, me and Shultz, me and Baker, other ministers and other American counterparts. If that's not the mechanism—and it might not fit current times—something like it should be found.

● (1735)

The Chair: Thank you very much.

We went a little past our hour. I thank you for appearing before us today and I wish you all the best. We look forward to perhaps having you back.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
http://www.parl.gc.ca
