

## PALMER DISTINGUISHED LECTURE IN CANADIAN STUDIES

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### Introduction

Thank you to the Palmer family for financially supporting this lecture series on Canadian Studies since 1991.

I arrived at BYU in August 1980 from the State University of New York at Plattsburgh, which is right next to Lake Champlain and almost an American suburb of Montreal. I was appointed to the Department of Political Science here at BYU but was also asked to set up a Canadian Studies program. I had been Director of Canadian Studies at SUNY Plattsburgh.

I am the 24<sup>th</sup> Palmer Lecturer, two of whom were former Prime Ministers of Canada, Joe Clark and Kim Campbell.

Of course, one might ask how does a kid born in Oakland, California and raised next door in San Leandro--who spent his first two years at UC Berkeley during the turbulent free-speech movement, and then was called on a 2 ½ year church assignment to France during the very turbulent “événements” of 1968, and who later wrote his dissertation on Franco-Soviet relations-- become involved in Canadian Studies? My easy answer is that I married a Canadian, Elaine Fisher, who is the sister of one of my close associates who worked with me in France.

My ability to speak French, based on my experience in France, was also a part of my attraction to Canadian Studies. As an academic, my first major visit to central Canada was to Montréal, which I found to be perhaps the “most continental European” city in North America. I was also one of a relatively small number of U.S. academics interested in Canadian Studies who could actually converse in Canada’s two official languages.

### Canada in Comparative Perspective

In 1977, I received a Canadian Government research grant to spend a summer at the University of British Columbia in Vancouver. From that experience, I wrote a

short book entitled *Canadian Government and Politics in Comparative Perspective*, aimed primarily at an American audience. In the book, I refer to Canada surviving and prospering next to the elephant pit, in reference to Prime Minister Pierre Trudeau's pithy comment at the Washington Press Club in 1968: **"Living next to you is in some ways like [a mouse] sleeping with an [elephant](#). No matter how friendly and even-tempered is the beast, ... one is affected by every twitch and grunt."** His son Justin, Canada's current Prime Minister, joked earlier this year that Canada is no longer a mouse, but has morphed into a moose, at least when it comes to dealing with the United States.

Some argue that there are three great miracles in Canadian history: the survival of the aboriginal population known today as the First Nations, the survival of French Canada, and the survival of Canada itself, as it has been situated next to a superpower with almost 10 times the population and 10 times the gross domestic product (GDP). Twice in U.S. history, American forces invaded Canada, in 1775 and again in 1812, neither of which succeeded.

In the 1860s, Canada, which was still referred to as British North America, was prompted, in part, to become an independent country and loosen its links to the United Kingdom because of the fear that the U.S. might invade in retaliation for Britain's early support of the Confederacy during the U.S. Civil War.

#### The Québec Referendum of 1995

Interestingly, there was one more recent U.S. encroachment in Canadian affairs that remains somewhat controversial and that I experienced personally. In 1995, the federal government of Jean Chrétien permitted the Parti Québécois to proceed one last time with a referendum to determine whether Québec would separate from Canada. Early on, Chrétien was convinced that Québec voters would easily oppose sovereignty, much as occurred in the referendum of 1980. However, voter sentiment began to shift dramatically during the referendum campaign and Chrétien's government began to worry about the final vote.

At the time, I was serving as the Fulbright-Bissell professor at the University of Toronto and, because I had been the President of the Association for Canadian Studies in the United States and written a book entitled *Canada's Unity Crisis*, I was invited by the Québec government to serve as a "foreign" observer and

spend time in that province interviewing groups and people on both sides of the issue.

As the polls showed the side supporting sovereignty gaining momentum, Prime Minister Chrétien phoned President Bill Clinton and asked him to make a statement supporting Canadian unity. Clinton did so, stipulating that the referendum was strictly a Canadian domestic issue. However, he added that even if Québec voters opted for sovereignty, the United States would not guarantee that Québec would be able to join NAFTA, implying that Québec's close economic linkages with the U.S. might be jeopardized, placing in doubt numerous existing businesses and jobs in Québec.

The vote on October 30, 1995 resulted in a victory for those opposed to Québec sovereignty, but by little more than one percent. Later in 1999, I was asked to attend a small invitation-only conference at the Mont Tremblant ski resort in Québec. Prime Minister Chrétien spoke to us about the virtues of Canadian unity. Later, at a small kitchen dining area in the basement, President Bill Clinton also spoke to us, without notes, and asserted that sub-units in federal systems should not be permitted to separate, unless that sub-unit is being grievously oppressed. Many Canadians appreciated what Clinton did in 1995 and what he said in 1999. However, many leading Québec officials met with me and lamented that the U.S. had actively intervened in Canada's domestic affairs and that this intervention may have tipped the 1995 referendum in favor of the "remain in Canada" side.

As a post-script, there has never been a strong movement toward Québec independence since that time, and sovereignty is not a front-burner issue in Québec today.

In addition, seceding from a country, even if done peacefully and in accordance with democratic principles, is extremely complex. For example, in the case of Québec, should the rest of Canada have had a voice in the future of their country? Some Aboriginal groups within Québec also reasoned that if Québec could separate from Canada, then they should have the right to vote on separation from Québec or continued affiliation with Canada. Very complicated!

### Canada in Comparative Perspective

Today, Canada survives, perhaps stronger and more confident than ever before, in its independent status and role in the world. However, it does have some concerns about the future of NAFTA, an issue that I will discuss later.

Much of my work in recent years has been devoted to the U.S. role in global affairs and how we can become a “better” nation and adapt “best practices” found in the public and private sectors and in other nations in order to improve the quality of life of our own citizens.

In the case of Canada, I have been impressed that its health care system, although far from perfect, can offer coverage to its entire population at half the price per capita of the U.S. system, and still have its people live longer and have a lower infant mortality rate than found in the United States.

I am impressed that Canada has done a good job in assimilating its immigrant population, with almost 21 percent of Canada’s population foreign-born versus less than 14 percent in the United States. I like its point system for accepting immigrants and find it far superior to the family reunification and lottery schemes used in the United States.

I am impressed that at the K-12 level, Canada is one of the top performers in the world in terms of science, math, reading comprehension, and general literacy, in spite of a large immigrant population coming from around the world and speaking many different languages. One needs to reflect on why the Canadian performance is generally so much better than what we find in the United States.

I am impressed that major Canadian municipalities tend to be more efficient with a higher quality of life than their U.S. counterparts, with more cooperation among core city and suburban cities in governing major metropolitan regions.

I am impressed that Canada has much less violent crime, proportionally, than the U.S., including seven times fewer homicides involving firearms. In 2016, Chicago experienced 781 homicides versus Canada’s 611.

On the other hand, Canada struggles to provide solutions to the plight of several Native settlements plagued by intense poverty, substance abuse, and abysmally high suicide and homicide rates. Canada’s spending on defense is still far below goals of NATO member countries and its contribution to peacekeeping missions around the world has waned over the past few decades. Canada has also faced

some major problems linked to federalism, with Québec holding two referenda in 1980 and 1995 to decide whether this province would separate politically from Canada. Even today, there remain significant provincial barriers to free trade within Canada itself, something that the U.S. generally solved back in 1789.

### Challenges Facing the Canada-U.S. Bilateral Relationship

#### 9/11 and Its Consequences for North America

In terms of bilateral Canada-U.S. ties, are “seismic changes” threatening the viability of this relationship? Two recent events need to be highlighted. First is the U.S. Government’s reaction to the terrible events of 9/11. There were 19 terrorists, mostly from Saudi Arabia, involved on that fateful day in 2001, destroying the twin towers at the World Trade Center in New York City and causing damage to the Pentagon in Arlington County, Virginia, just across the Potomac River from Washington, D.C. The national government treated this event as a second Pearl Harbor. The Bush administration went abroad in search of dragons to slay. Invading Afghanistan in an effort to capture Osama bin Laden made some sense. However, this initial incursion was transformed into an ill-fated nation-building endeavor that has now become the longest war in U.S. history. The invasion of Iraq in 2003 was also ill conceived and helped precipitate the growing influence of Iran in the region and the formation of ISIS.

The United States and Canada share the longest common border in the world, running over 5,500 miles along the 49<sup>th</sup> parallel and separating Alaska from British Columbia and the Yukon. For almost every year since the end of World War II, the U.S. and Canada enjoyed the largest bilateral trading relationship on the planet. Only some form of official identification was needed to cross the common border, and at night, some of the remote border crossing stations in the West actually closed down, with officials placing orange cones alongside the road to let drivers know they were crossing from one country into the neighboring country.

These tranquil days are long gone. After 9/11, the U.S. federal government greatly thickened the common border, and passports are now required in order to enter or reenter the United States. Luminaries as diverse as Hillary Clinton and Newt Gingrich stated that some of the terrorists had entered the U.S. from Canada. They were totally mistaken.

The border has been fortified by the presence of many more federal agents. Massive inspections are also required on shipments of goods into the United States and layer after layer of new regulations have been imposed by the U.S., slowing the passage of trucks, adding to the costs of doing business, and raising consumer prices for Americans. To put this in perspective, just one bridge spanning the Detroit River between Detroit and Windsor, Ontario carries far more commerce than annual U.S. shipments to the entire nation of Japan.

Billions of dollars have been spent on fortifying the border with thousands of new agents, regular surveillance flights, drones, sophisticated sensors, and other security measures. However, the U.S. Government Accountability Office has concluded that with all of this spending, the United States can now effectively monitor ½ of 1 percent of the entire joint border.

I served in President Reagan's administration and he once quipped that "the nine most terrifying words in the English language are, 'I'm from the government and I'm here to help.'" Now, I much prefer the notion that governments at all levels in federal systems can work to the benefit of their citizens and bring about a better and more civilized society. Of course, this requires honest, well educated, hardworking, and sensible elected officials and civil servants to be engaged in day-to-day governance. I have been honored to serve twice as a federal civil servant, an agent for U.S. Customs and later Special Assistant in the Office of the U.S. Trade Representative, a part of the Executive Office of the President of the United States.

Once, I was directing BYU's Washington Seminar program and Elaine, our youngest daughter, Kristi, and I rented a car, and drove to Canada where I made a conference presentation in Toronto. It took 27 seconds to cross the border at Niagara Falls, with the Canadian agent saying "Welcome to Canada and spend a lot of money while you are here." On our return at a remote and picturesque part of the Thousand Islands, there were only three cars that crossed through the U.S. border station within a five-minute period. The agent stated that personnel were going to scrutinize all cars and then his co-agent drove our car to an adjacent area to inspect it from bumper to bumper and top to bottom. We were ushered into a

waiting area where a large group of agents were generally shooting the breeze with literally nothing to do. In essence, in reaction to 9/11, money had been thrown at a perceived program, staffing had been greatly increased, but common sense had flown out the window. Twenty-seven minutes later we were allowed to continue on our trip and Ronald Reagan's nine most terrifying words were echoing in my mind.

A much more tragic incident occurred later. A fire broke out in 2007 at an historic restaurant at Rouses Point, New York. A call went out to the nearest fire department in Quebec to help. Its personnel responded immediately, only to be delayed for several minutes by U.S. federal agents who would not allow the fire trucks to enter the U.S. The historic restaurant burned to the ground.

A few years ago, hoping that the passage of time had permitted officials in Washington to comprehend some of the excessive policies hastily put in place in the wake of 9/11, I wrote a short essay entitled "Seven Ways to Solve U.S. Border Problems." Unfortunately, only modest steps have been taken in the intervening period to "thin" the U.S. border with Canada.

#### The "Modernization" of NAFTA

The second major challenge facing the current bilateral relationship is President Trump's threat to terminate the North American Free Trade Area, otherwise known as NAFTA. The Canada-U.S. Free Trade Agreement went into effect in 1989. At Mexico's request and with the support of the George H.W. Bush administration and later the Bill Clinton administration, Mexico joined Canada and the U.S. in the creation of NAFTA which went into effect in 1994.

I believe that President Trump made a mistake when during his first week in office he ended U.S. participation in the proposed Trans-Pacific Partnership (TPP), a major trade treaty between several nations in the Western Hemisphere and several in the Asia-Pacific region. Why give China an open invitation to become ascendant economically in the fastest growing region in the world, at a time when China has recently surpassed the United States, measured in purchasing power parity, as the world's largest economy? The second mistake was that Trump ended the effective modernization of NAFTA, because all three NAFTA countries

were signatories to the Trans-Pacific Partnership. Trump would have been better off demanding revisions in the TPP, instead of rejecting it altogether.

A third mistake made by President Trump has been the acrimonious language he has used toward Mexico and its proud people. I worry that this may be paving the way for the victory of Andrés Manuel López Obrador and his left-wing National Regeneration Movement in next July's presidential election. López Obrador has never been fond of the U.S., has always been skeptical of NAFTA, and is opposed to allowing much-needed foreign investment and technology to help modernize Mexico's vital energy sector. His victory could lead to major new problems in U.S.-Mexico bilateral relations.

After threatening to end NAFTA unilaterally, calling it the worst trade agreement in U.S. history, President Trump has at least agreed to enter discussions to modernize the accord. Negotiations began in Washington in mid-August, and three sets of negotiations have been completed in the respective national capitals, with a fourth scheduled shortly in Washington.

The seismic change that could occur, after the major disruptions imposed unilaterally by the United States following 9/11, would be for President Trump to walk away from the current trilateral discussions and give six months' notice to terminate NAFTA.

I am hoping that this will not occur and that the current discussions will lead to a modernized and more efficient North American accord. The combined size of the three major North American economies is already far larger than the GDP of the European Union with its 28 member states. The population of NAFTA is also approaching a half billion people.

The agreement is intentionally limited in scope. NAFTA is not the EU. It does not allow the free movement of people across borders. It does not establish a common market or a customs union. It does not have a common currency.

Rather, it promotes greater trade and direct investment and the establishment of effective cross-border supply chains, permitting North American companies to compete more efficiently vis-à-vis growing competition from Asia, Europe, and other parts of the world. It also promotes cross-border cooperation in terms of labor and environmental standards. Since NAFTA went into effect, U.S. trade with

Canada and Mexico has grown more swiftly than trade with other parts of the world. Mexico has also become more democratic and ended the one party domination of the PRI that existed continuously from 1929 until 2000. Greater cooperation has also occurred across common borders in dealing with issues such as terrorism, illegal immigration, and drug cartels.

Historically, Canada-U.S. relations have survived various periods of tension and divisiveness. It would even survive a seismic decision by President Trump to end NAFTA. In periodic Chicago Council on Global Affairs surveys, Americans perceive Canada as their “best friend in the world,” although admittedly, Americans do not know very much about what transpires in Canada. We are close military allies in both NATO and the North American Aerospace Defense Command, and Canada currently has troops in Iraq and Syria fighting against ISIS. Canada is the leading foreign energy supplier to the United States, and North America as a continent is well situated to become an energy superpower. Thirty-five U.S. states export more to Canada than any other country, and U.S. exports of goods to Canada are about equal to U.S. exports to the entire European Union, even though Canada has 36 million consumers versus the EU’s 510 million. And in the Chicago Council on Global Affairs’ extensive survey released this week, 79 percent of Americans, including 73 percent of self-identified core Trump supporters, perceive that Canada trades “fairly” with the U.S., a far higher percentage than with any other U.S. trading partner.

### The Triple Combination and Rapid Change Ahead

My recent books refer to a powerful “triple combination,” a combination that is likely to lead to greater change in the lives of our young people than for any other earlier generation. **Globalization** is the first component, as the nations and peoples of the world become more interdependent and borders become more porous. The second is **unprecedented technology change**, with some scientists contending that more data have been created over the past two years than in the entire previous history of the human race. The third component is the Schumpeterian notion of “**creative destruction**” in which we simultaneously create and destroy businesses and jobs. Last year, for example, the United States created almost 2 million net new jobs, but what actually happened was that we created 29.6 million new jobs and destroyed 28.0 million existing jobs in an

overall civilian workforce of about 160 million people. No wonder so many Americans have major concerns about the future well-being of themselves and their families.

In addition, the global landscape may be changing dramatically. From about 1820 to the present, the North Atlantic region has been dominant in global affairs, beginning in Europe and then pivoting to North America. At the end of World War II, the United States alone accounted for almost half of the world's production of goods. The ascendancy of the North Atlantic region also highlighted the benefits of democracy, representative government, capitalism, human rights, individual rights, and the rule of law.

However, it is possible that by 2050 close to half of the world's population, GDP, exports, and direct investment will be concentrated in the burgeoning Asia-Pacific region. If this transpires, some of the time-honored values we associate with the North Atlantic region could be called into question, such as community rights versus individual rights.

Moreover, the United States is no longer a dominant superpower, and certainly not the hyperpower that the French foreign minister called us back in 1999. For example, the U.S. population has never been higher, with 326 million people. However, our share of the world population is only 4.4 percent. Our share of global GDP last year was a robust 24.6 percent, when measured in nominal U.S. dollars. However, when measured in purchasing power parity, an index preferred by many economists, the U.S. share was only 15.5 percent, perhaps near the lowest level since about 1900.

It is not difficult to comprehend why some would like to recreate Fortress America and hope that within America's borders we could practice economic self-sufficiency. Unfortunately, the notion of "Fortress America" has always been mythical and is even a greater illusion today. Many of the challenges we currently face are beyond the capacity of any nation, including a superpower, to solve unilaterally. We must have good will and work across borders to solve problems that impact us locally in Provo and Peoria, or Calgary and Saskatoon. "America First" should mean helping as many of our citizens as possible to achieve a very good quality of life, and that means solving problems at home but also working

across national boundaries to confront challenges common to Americans and Canadians alike.

Finally, better to modernize NAFTA than end it, and better to work toward even greater cooperation and a “smart border” with our only neighboring country to the north. As John F. Kennedy stated in his address to the Canadian Parliament in May 1961, **“Geography has made us neighbors. History has made us friends. Economics has made us partners, and necessity has made us allies. Those whom God has so joined together, let no man put asunder.”**

Amen to that! Sovereign, independent nations working together to benefit their citizens and solve common problems with mutual respect and understanding.