

Congress and the Americas
Canada: A Case of Local Foreign Policy

Christopher Sands

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Joyce Hoebing
CSIS Americas Program
1800 K Street, NW
Washington, DC 20006
Phone: (202) 775-3180
Fax: (202) 775-3199

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Introduction

The U.S. Congress plays a role in foreign affairs that is particularly important in an era of assertive foreign economic policy. The commitment made by the United States at the 1994 Miami Summit to pursue trade liberalization with all the countries of the Western Hemisphere guarantees the continued relevance of what happens in the House of Representatives and the Senate in Washington for the countries of the Americas. If U.S. politics affect its neighbors abroad, it is no less true that the strategic and economic interests of the United States are affected by the political situation in these countries. Better mutual understanding is crucial to the successful pursuit of enhanced international relations in the hemisphere.

Several factors make Canada a special case in U.S. foreign policy in general, and these condition congressional involvement in bilateral relations. The U.S. economy has become highly integrated with Canada's, a process intensified by both the Canada-U.S. Free Trade Agreement (CUFTA) and the North American Free Trade Agreement (NAFTA). The two countries have a longstanding military alliance and cooperate closely in several international organizations. As the first of Great Britain's colonies, the United States and Canada share a common political and cultural heritage that continues to have an influence over political life in Washington and Ottawa. And with a common history of westward expansion and high levels of immigration, both have evolved into diverse and dynamic societies.

These and other common bonds have contributed to a stable and positive relationship with few major irritants. Yet the physical proximity of the people of Canada and the United States and the high degree of interaction between them make Canadian relations a study in "local" foreign policy. Former House Speaker Thomas (Tip) O'Neill once said that "all politics is local," and when it comes to Canada, the same is also true for U.S. foreign policy.

U.S. Policy on Canada: Local Foreign Policy

When Members of Congress discuss Canada, it is often not purely in the context of foreign policy. The proximity of Canada to the United States makes Canada a very local concern, one that directly affects U.S. citizens in districts across the country. Consider:

- An estimated 90 percent of Canadians live within 100 miles of the U.S. border.
- Total U.S.-Canada trade in 1995 amounted to over \$272 billion, as U.S. exports to Canada grew 10.9 percent over 1994.
- In 1994, the value of U.S. exports to Canada exceeded that of exports to all European Union countries by 15 percent; the Canadian market for U.S. goods and services was *double* the size of the United States' next largest trading partners, Japan and Mexico.

- Canada is a major agricultural competitor with the United States in world markets for grains, and a major customer for U.S. winter vegetable and citrus growers.
- More than 100 million border crossings were recorded in 1995. Many thousands of these were for tourism, making a major contribution to the economies of states like Florida, Arizona, and California.
- Canada is a major alliance partner. Every year U.S. armed service personnel train with their Canadian counterparts under the auspices of NATO, NORAD, and various joint exercises and special deployments, such as Bosnia and Haiti.
- The Canadian government is a partner in maintaining a healthy global economic climate in which international trade and investment can flourish, benefiting many of the companies that employ Americans in the United States and around the world. Canada works side-by-side with the United States in NAFTA, the Organization of American States, the United Nations and its agencies, the OECD, the Group of Seven industrialized nations, and the Asia-Pacific Economic Cooperation.

NAFTA has tied the U.S. future to that of Canada and Mexico, and in Canada's case this is an evolution of a historically close relationship. Congress will increasingly consider Canada in its deliberations on a range of issues.

Congress and U.S. Relations with Canada

Congress has authority within the U.S. constitutional design for several areas of policy that relate to Canadian interests, from trade to treaty ratification. Additionally, in the exercise of its powers over the U.S. domestic economy, Congress can have a dramatic affect on the health of the Canadian economy because the two are highly integrated. No other country is as vulnerable to congressional action as is Canada, and Canadians are understandably concerned with what is said about them in Congress.

In practice, however, Canadians are not often the subject of congressional debates where their interests are at stake. Many times the implications of legislation for Canada are "collateral damage" caused in pursuit of some benefit for U.S. interests. It is also true that U.S. interests can lobby Congress to the disadvantage of their Canadian competition. None of these observations represents a new development—the potential of the Congress to affect Canadian interests has been a constant in the history of this bilateral relationship from the beginning. Yet in recent years, the vulnerability of Canadian interests has grown as the economies of the two countries have become more closely linked.

Since the end of World War II, the pace of integration of the Canadian and U.S. economies has accelerated, and Canada's exposure to congressional action has increased

accordingly. Following a period of relative passivity that ended in part because of the American experience in Vietnam, Congress became more assertive in foreign and trade policy. These two trends reinforced one another. Congress's current role in the bilateral relationship began to take shape in the mid-1980s.

The 1980s were a watershed period for trade relations between the two countries. In Canada, the government of Prime Minister Pierre Trudeau adopted a hostile attitude toward U.S. investment, particularly in the oil and gas sector. The National Energy Policy (NEP) and the Foreign Investment Review Act (FIRA) were aimed at limiting if not reducing the level of foreign, primarily U.S., involvement in the Canadian economy. Political uncertainty surrounding the 1980 referendum on sovereignty-association held in Quebec further damaged Canada's reputation as a stable place to invest and conduct business. As a result, the 97th Congress, elected with Ronald Reagan in his first term in 1980, included many members of the House and Senate genuinely concerned with the state of U.S. policy on Canada. The congressional midterm elections in 1982 resulted in the 98th Congress, which shared the grave mood of the 97th regarding Canada.

In 1984, a more pro-American government led by Prime Minister Brian Mulroney took power in Ottawa, providing Canada an opportunity to reevaluate its foreign policy. The perception that the 97th and 98th Congresses had been hostile to certain Canadian interests led to a new approach by the Canadian government toward the 99th Congress, also elected that year.

Canada's new strategy reflected a particular diagnosis of the causes of the sudden souring of relations with the 97th Congress, one which argued that lobby groups in the United States had orchestrated the change. Canadian author Stephen Clarkson argued that many members of the 97th and 98th Congresses were actively hostile to Canada as a result of campaign contributions from U.S. special interests, particularly oil companies, hurt by the NEP and FIRA.¹ Clarkson observed:

“While it was the administration more than Congress that was pressing Canada on the main economic grievances of energy and investment policy, it was the legislature more than the executive that created most of Canada's economic grievances against the United States.”²

Since Canadians could neither vote nor contribute to congressional re-election campaigns, Clarkson recommended that Canada develop a lobbying strategy for the Congress. Such a capability would allow Canada to make its case with legislators, as well as give Canadians better intelligence about Congress that might provide an early warning of problems. In effect, Canada would become a “special interest” in the U.S. system. The Mulroney government subsequently

¹See Stephen Clarkson, *Canada and the Reagan Challenge: Crisis and Adjustment 1981-1985* (James Lorimer & Company, 1985).

²*Ibid.* 337

adopted this strategy, adding staff at the Canadian Embassy in Washington for this purpose.

At much the same time, Charles Doran and Joel Sokolsky identified Canada's comparative advantages in making its case on Capitol Hill.³ They offered four factors that distinguished Canada from other foreign interests:

- (1) *Economic integration* links domestic U.S. interests with Canadian ones, providing ready American allies to lobby against or for any measure that would affect Canada directly or indirectly.
- (2) *Regional concerns* often preoccupy Members of Congress, bringing together Democrats and Republicans where a local interest is at stake. North-south linkages between states and provinces are strong, note Doran and Sokolsky, and it is easy for Canada's interest in, for example, environmental legislation to blend with that of similarly affected neighboring states.
- (3) *Bureaucratic links* between U.S. and Canadian government officials are not confined to the State Department and the Department of Foreign Affairs and International Trade. While precise data is not kept, Doran and Sokolsky argue that the ease of communication and interaction has fostered many friendships between officials in government departments and agencies. As a result, Canadian officials have the ability to intervene early in a discussion of regulatory change or procedure, with the result that many differences can be resolved at the administrative level, without recourse to legislative remedies.
- (4) Finally, and more controversially, Doran and Sokolsky argue that the *perception* of Canadians as friendly, unthreatening neighbors is a natural anesthetic, keeping congressional passions cool on issues of bilateral conflict. This can result in less attention in Congress to Canadian concerns when members of the House and Senate place a greater priority on foreign policy problems where there is a greater sense of crisis.

Doran and Sokolsky's analysis is still persuasive today, and the Canadian approach to Congress has capitalized on these strengths. Ultimately, the Mulroney government eliminated FIRA and the NEP, which did more to improve relations than any change in Canada's diplomacy.

Canada and Executive-Legislative Conflict

Despite its powers to affect the agenda of the executive branch with regard to particular countries, Congress is still not the principal policymaking institution in the U.S. system. In

³ Charles F. Doran and Joel J. Sokolsky, *Canada and Congress: Lobbying in Washington* (Centre for Foreign Policy Studies, Dalhousie University, 1985).

general, congressional activism in foreign policy maintains an equilibrium level vis-à-vis the executive branch that is relatively passive, punctuated by occasional disputes and rhetorical forays.

The nature of this equilibrium has been commented on by several scholars. Thomas Mann noted that Congress reacts to the foreign policy set by the administration. "Executive-legislative conflict on foreign policy escalates when policy disagreement is pronounced and when the constraints, both formal and informal, on institutional assertiveness are weakened."⁴ Formal constraints, such as treaties and the exercise of executive prerogatives in foreign policymaking, may be absent or weak. Informal constraints, such as a president of the same party that is in the majority in the House or Senate, also vary.

Some of the conditions outlined by Mann for the emergence of executive-legislative conflict over foreign policy currently exist between the Clinton administration and the 104th Congress. Such conflict has emerged recently over Bosnia and Cuba. Canada, with troops on the ground in Bosnia and investors on the ground in Cuba, is directly affected by the U.S. foreign policy in these areas. In this sense, the 104th Congress will continue to command the attention of Canadians. While the end of the 104th Congress is already in sight, however, the potential for executive-legislative conflict over foreign policy is likely to increase in the coming months: 1996 is a congressional and presidential election year in the United States.

Canada and the 1996 U.S. Elections

All of the seats in the House of Representatives and one third of the members of the Senate come before the voters on November 5, 1996. The outcome of many of these individual races will be affected by the presidential campaign that is already well underway.

In the normal course of Canada-U.S. relations, many political debates such as those in Congress can have important implications for Canadian interests, even when Canada itself is never mentioned. This is the "collateral damage" dilemma previously noted in this paper. Major U.S. elections create a similar problem for Canadians. Candidates may inveigh against trade policy, or call for economic reforms that would sideswipe the Canadian economy. As such, these comments can be dismissed as heated rhetoric normal to political campaigns. But in an election season where the outcome is by no means certain, the effect of such talk may be to pressure the incumbents to avoid taking decisions that Canadians favor, or encourage symbolic actions or statements against foreign interests that would not be considered outside an election year. Canadians are not alone in facing this quadrennial frustration with American politics—to some extent it is shared by all U.S. allies and trading partners. Yet the closeness of these two countries is now too profound for Canadians to remain indifferent to U.S. electoral contests.

Already in 1996, certain Canadian interests have found themselves hostages to U.S. electoral politics. Several Canadian companies, most notably mining company Sherritt, Inc., were explicit targets of certain provisions in the Cuban Liberty and Democratic Solidarity Act, best

⁴Thomas E. Mann, *A Question of Balance: The President, The Congress and Foreign Policy* (The Brookings Institution, 1990) 2.

known by the names of its co-sponsors, Senator Jesse Helms of North Carolina and Representative Dan Burton of Indiana, both of whom face re-election in 1996. A breakdown in talks over salmon fishing along the Pacific coast prompted an amendment to the 1995 Fisheries Act that declared the strait that runs between Vancouver Island and the mainland of British Columbia to be international waters, in effect denying the legality of a Canadian measure that imposed a fee on U.S. fishermen that sailed the strait in search of the dwindling salmon stock. The recent re-emergence of the softwood lumber issue on the U.S. trade agenda stems in part from pressure on U.S. Trade Representative Mickey Kantor exerted by Democratic Senator Max Baucus of Montana and Republican Senator Larry Craig of Idaho—both of whom sit on the Senate Agriculture, Nutrition and Forestry Committee and both of whom are up for re-election in 1996.

Disputes like these would be difficult to resolve under the best conditions. With Senate Majority Leader Robert Dole as the Republican opponent to Democratic President Bill Clinton, the traditional fault-line in American politics that runs between Congress and the presidency has been magnified. The result for Canada is that in its disputes over congressional action it may seek the support of the Clinton administration, and may get that support, but it cannot expect Congress to make many concessions in response to any presidential appeal or request.

To avoid getting caught in the political crossfire between the two ends of Pennsylvania Avenue this year, Canada would be wise to adopt a low profile in Washington. With little hope of winning in a public debate, Canada's congressional lobbying should shift to the backrooms in an attempt to head off any additional measures aimed at scoring political points by hitting Canadian interests. The remaining days of the 104th Congress offer more peril than promise for Canada. Not until the composition of the 105th Congress is known will it be possible to speculate on how many current U.S.-Canada disputes will be resolved.

To focus on the disputes that plague U.S.-Canada relations, however, is to ignore the positive nature of the day-to-day relationship, which is characterized more by cooperation and mutual respect than by conflict. The goodwill toward Canada that is expressed by many Americans is reflected by their representatives in Congress, many of whom regard Canada as a model ally and ideal neighbor. It is this spirit that motivates many in Congress to study ways that the two countries can come together to solve problems and learn from one another. While this inspiration is not always acknowledged in the Congressional Record, it is the driving force behind a group of legislators who have come forward voluntarily to form the CSIS Congressional Study Group on Canada.

The CSIS Congressional Study Group on Canada

As the preceding discussion illustrates, the bilateral agenda is as broad as it is deep, and U.S.-Canada relations entered congressional debate in a variety of ways in 1994 and 1995. One indication of the subjects that interested Members of Congress during this period, albeit an imperfect measure, can be taken from the activity of the bipartisan CSIS Congressional Study Group on Canada (CSG).

The CSG holds off-the-record meetings four to six times a year on Capitol Hill to discuss aspects of U.S. relations with Canada that are of particular interest to Congress. Topics are selected by the group's co-chairs and CSIS, often at the suggestion of another Member of Congress.

The CSG was formed in Fall of 1993. Representative James L. Oberstar (DFL-MN) and Representative John M. McHugh (R-NY) co-chair the CSG on Canada. Over 30 Members of Congress have taken part in these meetings, and many more have been represented by senior staff with expertise relevant to particular topics.

The interests of Members of Congress vary enormously by issue, reflecting the extraordinarily broad range of U.S.-Canadian relations. In 1994 and 1995, the CSG addressed the following topics:

Towards a Sovereign Quebec

Briefer: The Honorable Lucien Bouchard, Leader of the Opposition and Leader of the Bloc Québécois

Quebec's most charismatic nationalist leader briefed the CSG on his vision of an independent Quebec. In his speech, Bouchard accepted the label of "separatist," which had previously been considered pejorative in Quebec politics, and conveyed his determination to see Canada divided. Congressional leaders had the opportunity to question Bouchard, and assess first-hand the mettle of the man who would lead the independence side in the 1995 Quebec referendum just 18 months later, and who, as Jacques Parizeau's replacement as Quebec's premier, would have a decisive influence on the future evolution of Canada and its malcontented province.

Agricultural Disputes between the United States and Canada

Briefers: Dale Hathaway, National Center for Food and Agricultural Policy
William Miner, Centre for Trade Policy and Law

Canada and the United States both boast agricultural sectors that are among the world's most productive. Trade between the two, however, is often troubled, and competition for third-country markets can lead to charges of unfair subsidies from governments eager to please domestic producers and boost export sales. The major disputes considered at this meeting included Canadian durum wheat exports to the United States, Canadian dairy egg and poultry quotas, and Canadian exports of sugar and sugar-containing products—all subjects of trade cases then underway. William Miner, who later in 1994 was appointed to head the Canadian delegation to a special U.S.-Canada Joint Commission on Grains, briefed the CSG on the domestic political factors and international policy implications of Canadian practice in general. Miner then explained what was at issue in disputes in each area. Dale Hathaway, executive director of the International Policy Council on Agriculture and Trade and a former professor at Michigan State University, offered a U.S. perspective on these agricultural trade disputes between Canada and the United States.

The Canadian Peacekeeping Experience: Implications for the United States

Briefers: Major-General Robert Gaudreau (Canadian Forces)
Alex Morrison, Executive Director, Canadian Institute of Strategic Studies, and Head of Establishment Team, Canadian

International Peacekeeping Training Center

Canada historically has been one of the most active contributors to peacekeeping operations conducted under the aegis of the United Nations, and has played a part in nearly every such operation to date. The emergence of “peace enforcement” operations, the U.N. involvement in the Gulf War, and the disastrous U.N. mission in Rwanda offered a backdrop to this session of the CSG, and an indication of the dangers of U.N. peacekeeping. Canadian Major-General Robert Gaudreau served as Deputy Commander of the U.N. Protection Force (UNPROFOR) in the republics of what was formerly Yugoslavia. General Gaudreau offered his personal perspective on the implications of Canada’s experience in peacekeeping for the United States and its armed forces. Alex Morrison, executive director of the Canadian Institute of Strategic Studies, is a retired officer in the Canadian Forces who was posted to the Canadian Mission to the U.N. from 1983 to 1989 with special responsibility for international security, arms control, disarmament, and peacekeeping. Mr. Morrison provided a view from the policy planning side of U.N. operations, and the challenges facing mission planners trying to coordinate units from several countries into an effective force. The fighting in Bosnia, where Canada had troops on the ground and U.S. forces were involved through NATO in air and naval support and logistics, brought the session home to many of those present.

U.S.-Canada Relations: Update and Analysis

Briefer: James G. Blanchard, U.S. Ambassador to Canada

In the wake of President Clinton’s successful state visit to Canada, U.S. Ambassador to Canada James Blanchard was singled out for praise by many observers for his role in improving U.S. policy on Canada. Blanchard, a former Member of the House of Representatives and Michigan governor, briefed the CSG on the range of issues on the bilateral agenda. This session was held just days before several members of the House and Senate were to leave for Ontario to participate in the U.S.-Canada Interparliamentary Group, a meeting with Canadian legislative counterparts. As a result, the State Department designated Ambassador Blanchard’s presentation the official briefing on U.S. policy for the members of the Interparliamentary Group’s U.S. delegation. Several senior U.S. officials took part in the meeting, including: Richard Hecklinger, Deputy Assistant Secretary of State, Bureau of European and Canadian Affairs; David Colson, Deputy Assistant Secretary of State, Bureau of Oceans, International Environmental and Scientific Affairs; David Weiss, Deputy U.S. Trade Representative for North American Affairs; and Lynne Lambert, Director, Canadian Affairs, Department of State.

The Economic Development Implications of the U.S.-Canada “Open Skies” Agreement

Briefer: Steven Kaplan, General Counsel, U.S. Department of Transportation

The centerpiece of President Clinton’s visit to Canada in February 1994 was the signing of a new agreement to allow expanded passenger air service between Canada and the

United States. The growth in trade between the two countries following the implementation of the CUFTA and the subsequent NAFTA made air travel liberalization a priority for both governments. The final agreement, which phases in service between major U.S. and Canadian cities, permits direct flights to Canada from many parts of the United States for the first time. The strong performance of U.S. service sector trade with Canada, and the popularity of the United States as a destination for Canadian tourists, both suggest new economic opportunities for communities across the country. Stephen Kaplan, General Counsel for the U.S. Department of Transportation, played a key role in the negotiation of the so-called “Open Skies” agreement. Mr. Kaplan offered the CSG a detailed analysis of the agreement’s implications for the United States.

The Future of the St. Lawrence Seaway

Briefer: David Sanders, President, Seaway Development Corporation

Canada and the United States each maintain a set of locks that together make up the St. Lawrence Seaway. Through the Seaway, many ports on the Great Lakes have access to the Atlantic Ocean, and markets in Europe, Africa, the Middle East, Latin America, and the Caribbean. David Sanders is president of the St. Lawrence Seaway Development Corporation, the U.S. public corporation that manages part of the St. Lawrence Seaway. Mr. Sanders briefed the CSG on the future of the waterway and possible capital investment requirements.

Canada-U.S. Relations and the Border Economy

Briefers: James L. Oberstar, Member of Congress
Paul Bennett, Consul, Canadian Consulate General, Minneapolis
Christopher Sands, CSIS Canada Project Coordinator

During the August recess, CSIS arranged a special session of the CSG in Duluth, Minnesota. Representative James Oberstar told Northeastern Minnesota policymakers and community and private sector leaders about the activity of the CSG and the importance of Canadian affairs to the region. Paul Bennett, a consul and trade expert from the Canadian Consulate General in Minneapolis, provided an overview of Canada’s good relationship with Minnesota. CSIS Canada Project Coordinator Christopher Sands discussed the local economic impact and future prospects of Canadian trade, investment, tourism and cross-border shopping in this border region.

Canada-U.S. Relations and the Quebec Referendum

Briefer: Raymond Chrétien, Canadian Ambassador to the United States

Just days before voters in Quebec went to the polls in the 1995 Quebec referendum on independence, the CSG convened to hear from Canada’s Ambassador in Washington,

Raymond Chrétien. Ambassador Chrétien, a Quebecer himself and the nephew of Canada's Prime Minister Jean Chrétien, gave an account of the ups and downs of the referendum campaign. The lively discussion that followed the ambassador's remarks reflected the keen interest on the part of Members of Congress in the referendum's outcome and the future of the United States' largest trading partner and closest ally.

Conclusion

The topics of CSG meetings provide a glimpse of the diverse and complicated nature of the bilateral agenda. Canada has not been ignored by Congress, despite what some observers suggested was a trend toward isolationism in U.S. politics, particularly in the wake of the 1994 congressional elections.

Canada is a special case in U.S. foreign policy. U.S. policy on Canada is local foreign policy, similar in form to other U.S. international relationships with diplomatic exchanges, treaties, and elevated rhetoric, but at the same time its impact is felt more closely by ordinary citizens. It is this linkage that makes Canada special to many Members of Congress, who reflect the concerns of their constituents on a national stage.

Of course, Canadians may or may not appreciate this attention. At times it may bring benefits, but occasionally it can lead to trouble for Canadian interests that run afoul of some U.S. legislative measure, either directly or incidentally. In 1996, the passage of the Helms-Burton bill is a case in point.

Canada and the United States are now so closely bound together by economic integration and decades of close cooperation that Canada will continue to be vulnerable to congressional action for the foreseeable future. However, this closeness also creates a vulnerability for the United States which guarantees that continued interest will be paid by Members of Congress to the unresolved debate about Quebec's status and to many of Ottawa's economic and trade policy initiatives.

The 1996 U.S. elections will shape the 105th Congress in ways that are difficult to predict. Inevitably the new Congress will include both peril and promise for Canadian interests. As always, the Congress will have the ability to exert a strong influence on U.S.-Canada relations regardless of who occupies the White House.

In light of this, the best hope for both countries may be the growing number of policymakers in both countries who seek a better understanding of their neighbors' concerns and a comprehensive appreciation of the tremendous benefits that accrue from the U.S.-Canada relationship. Some current Members of the U.S. Congress are already committed to that goal.

About the Author

Christopher Sands is a research associate at CSIS responsible for coordinating the Canada Project. He is the chairman of the CSIS Canada Briefing series and organizes meetings of the CSIS Congressional Study Group on Canada. A specialist in Canada-U.S. trade relations, Mr.

Sands is a graduate of the Johns Hopkins University School of Advanced International Studies and Macalester College. He has served as an advisor to corporations and governments on doing business in Canada.