

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
respecting its participation at the Council of State
Governments-WEST - 62nd Annual Meeting**

Canada-United States Inter-Parliamentary Group

**Santa Fe, New Mexico, United States of America
October 5 - 8, 2009**

Report

From October 5-8, 2009, Senator Percy Downe represented the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) at the 2009 Annual Meeting of the Council of State Governments-WEST (CSG-WEST) in Santa Fe, New Mexico.

Founded 61 years ago, the Council of State Governments-WEST is a non-partisan organization comprised of the legislatures of 13 western states (see the Appendix); British Columbia and Alberta are associate members. These 13 states are important to the Canada-US relationship. Of the estimated 7.1 million US jobs that depend on bilateral trade, recent figures indicate that more than 1.6 million jobs in those states rely on Canada-US trade. Bilateral trade was recently valued at nearly \$85.5 billion annually: more than \$27.5 billion was exported from the 13 states to Canada, while they imported nearly \$58 billion from Canada. Moreover, recent data suggest that Canadians made nearly 6.6 million visits to the CSG-WEST states in a one-year period and spent more than \$3.6 billion, while residents of these 13 states made more than 3.2 million visits to Canada in that same period and spent in excess of \$1.6 billion.

At the 2009 Annual Meeting, the plenary sessions were:

- The West: America's Future
- The Way We'll Be
- Economy and Jobs
- Presidential Leadership.

As well, the following CSG-WEST committees held meetings:

- Energy & Environment
- Education
- Water & Public Lands
- Trade & Transportation
- Fiscal Affairs
- Western Legislatures
- WESTRENDS.

Finally, on 5 October 2009, participants at the meeting attended either the North American Summit II: Strengthening Regional Security and Economic Competitiveness or the Annual Legislative Training Assembly, which were held concurrently. A Health Forum and a discussion entitled "Films on the Frontier" were also held during the 2009 Annual Meeting.

The interaction with state legislators enables members of the Canadian Section of the IPG to achieve better the aim of finding points of convergence in respective national policies, initiating dialogue on points of divergence, encouraging exchanges of information and promoting better understanding on shared issues of concern. Moreover, the meetings with state legislators provide members of the Canadian Section with an

important means to provide input to, and gather information about, state-level issues that affect Canada.

This report summarizes the discussions that occurred at the plenary and selected committee sessions.

THE WEST: AMERICA'S FUTURE

Lowell Catlett, *New Mexico State University*

- in the last 100 years, there have been 13 recessions, not including the current downturn; recessions are a natural phenomenon, since it is not possible to "run all of the time": occasionally, there must be a pause from time to time
- calling the current recession a "depression" is an insult to those who lived through the Great Depression of the 1930s
- the US housing bubble is one of the reasons for the recession; when the average person in the average community cannot afford an average house when earning an average income, something is wrong
- 66% more Americans can afford a home today than could do so in 1980
- the "natural" homeownership rate in the United States is about 65%, and it has been this rate for the last three decades
- what led the United States into the recession will help to lead the country out of it
- the baby boom generation is the first mass-educated generation and the first generation to move beyond the base of Maslow's pyramid of hierarchy of needs
- baby boom females have career opportunities and can take care of their family in the event of divorce
- a great deal of wealth will be inherited when those who lived through the Great Depression die, and this situation is likely to occur within the next decade
- mathematically, a generation is 19 years in duration
- what is a luxury to one generation becomes a necessity to the next generation; once we climb up Maslow's hierarchy of needs, we do not ever want to go down

NORTH AMERICAN SUMMIT II: STRENGTHENING REGIONAL SECURITY AND ECONOMIC COMPETITIVENESS

ACHIEVING ENERGY INDEPENDENCE FOR NORTH AMERICA

Ty Lund, *Member of the Legislative Assembly of the Province of Alberta*

- legislators and the private sector must find the proper balance among the 3Es, which are interrelated and cannot be considered as silos; the 3Es are:
 - energy
 - the environment
 - the economy

- North American nations cannot grow their economies and produce the energy that is needed in an environmentally irresponsible way
- North American nations must work together on energy issues, with collaborative efforts and the sharing of both best practices and information
- Alberta is second only to Saudi Arabia in terms of oil reserves, and is an important part of the "energy picture" in Canada and in North America; Alberta also has coal reserves and believes that renewable energy sources are an important part of the energy mix
- other parts of Canada have a variety of energy sources, including hydroelectricity, wind and uranium for nuclear power generation
- the United States is the largest market for Alberta's oil; moreover, other than Albertans, the US is the largest market for Alberta's natural gas
- energy capacity within Canada is rising, and the nation has a great deal to offer North America in terms of energy production and independence
- within Canada, greenhouse gas emissions are being regulated, investments are being made in energy technologies, carbon is being priced, etc.
- energy development affects the environment

Martin Pasqualetti, *Arizona State University*

- energy interdependence among the three North American nations, rather than energy independence, should be the focus; an energy alliance among the three nations is needed
- a "reality check" regarding energy independence plans is needed
- an energy portfolio, with a number of energy sources, is desirable
- while all energy problems cannot be solved with a focus on energy efficiency, conservation and efficiency are still worthwhile goals; that being said, it is possible that the more efficiently we use our energy, the more energy we will use
- while there may be a lot of oil, it is not necessarily the case that the oil is easy to access
- while nuclear energy is safer than it was, it is still not altogether safe
- "clean coal" is a myth
- there are social barriers to renewable energy, including NIMBY – not in my back yard – with wind farms, for example
- renewable energy should be the goal for a sustainable future

Sarah Cottrell, *Office of the Governor of New Mexico*

- the discussion about energy independence should be a discussion about energy interdependence; total independence is neither practical nor wise
- there is an energy-climate nexus

- aging energy transmission infrastructure is a major barrier to energy independence

UPDATE ON THE SECURITY AND PROSPERITY PARTNERSHIP AND THE NORTH AMERICAN LEADERS' SUMMIT

Jose Guillermo, *Mexican Ministry of Foreign Affairs*

- when the leaders of the three North American countries met in Mexico in August 2009, they identified five priority areas:
 - competitiveness
 - trade
 - migration
 - security
 - the environment
- the countries in North America should focus on how best to exploit the comparative advantages of each nation
- infrastructure is a lever for development
- Mexico and the United States are coordinating plans at their shared border, and the safety and welfare of the cities along that common border are a priority for both countries

Kim Butler, *Canadian Department of Foreign Affairs and International Trade*

- the three North American countries have shared histories, shared interests and a shared future
- as partners and neighbours, Canada, Mexico and the United States have naturally occurring bilateral relationships as well as trilateral approaches
- the trilateral relationship started in earnest with the North American Free Trade Agreement (NAFTA)
- the United States and Mexico are Canada's first and fifth largest trading partners respectively
- the trilateral relationship is more complex than just trade: "we build things together," and our cooperation goes beyond the NAFTA and the commercial relationship
- in Canada, "Security and Prosperity Partnership" (SPP) and "Leaders' Summit" have been used interchangeably even though they are quite different; in fact, the SPP was not mentioned during the August 2009 Leaders' Summit, which is relatively more strategic in nature
- the SPP is important since it re-energized bilateral and trilateral cooperation on a range of issues, many of which are technical in nature; it has been useful in

bringing the three North American countries "to the table" and in establishing working groups

- Canada will host the next Leaders' Summit in 2010

ENHANCING NORTH AMERICAN COMPETITIVENESS

Geri Word, *United States Department of Commerce*

- since the three North American countries share common challenges, the countries should work together in co-producing goods and providing services, and in seizing opportunities
- since the economies of the three North American countries are intertwined, problems in one economy affect the other two economies
- smoothly functioning shared borders are an important aspect of competitiveness
- security must be balanced with trade
- in cooperating regionally, the North American countries should eliminate duplicate requirements, harmonize standards, coordinate regulatory impact analysis and address issues early so that they do not become problems
- intellectual property rights fuel economic growth, protect health and safety, and reduce support for the terrorist groups and drug cartels that use funds from counterfeit goods

Tim McEwan, *Initiatives Prince George*

- by global standards, Canada is a small, open economy
- Canada wants to work with other countries to resist protectionism
- while Canadians understand the need for the *American Recovery and Reinvestment Act of 2009* and its "Buy American" provisions, these provisions threaten the US recovery by increasing costs
- Canada wants to conclude an interim agreement with the United States regarding "Buy American" provisions in order to facilitate provincial and municipal procurement
- the North American Free Trade Agreement created the world's largest free-trade zone
- the Canadian lumber industry has been affected by decreased housing starts
- Canadian exporters have been affected by reduced US spending
- in response to the current global financial and economic crisis, the United States and Canada have engaged in accommodative monetary policy and fiscal stimulus
- most economic indicators suggest that the recession is mostly over and that recovery is under way

- Western Canada, including British Columbia, and the United States have a growing and abiding relationship
- British Columbia is part of the Western Climate Initiative and the Pacific NorthWest Economic Region, has exchanges with US universities and has cooperated with Washington State on the enhanced driver's licence initiative
- British Columbia is an "energy powerhouse," including in respect of electricity, natural gas, coal, wind, tidal, etc. energy sources

COMBATting PUBLIC HEALTH THREATS IN NORTH AMERICA

Ty Lund, *Member of the Legislative Assembly of the Province of Alberta*

- when the manner in which a disease will act and how long it will last are unknown, no one wants to take chances
- while swine influenza is not a food safety issue, following an outbreak in Alberta some countries decided not to focus on the science of the disease and – with a focus instead on emotions and politics – borders started to close
- with closed borders and fewer export markets, Canadian hog prices decreased dramatically, with implications for the livelihood of hog producers
- Canada has very high food safety and animal health standards
- the H1N1 virus, or something like it, will happen again; the virus can pass back and forth between pigs and humans
- it is important to have good crisis-management protocols, to work cooperatively and to focus on science

Arturo Cervantes Trejo, *Mexican Ministry of Health*

- the world should be glad that the H1N1 virus started in North America, which was able to exercise leadership, has competitive economies and is capable of adequate surveillance
- Mexico experienced two "big peaks" in the H1N1 virus in 2009: in April and May in central Mexico and in June and July in southeastern Mexico
- in April 2009, national and international experts agreed on the need to implement a pandemic plan, with enhanced surveillance, increased communications and social distancing
- those at particular risk of the H1N1 virus include those who are diabetic, immune-compromised or pregnant as well as those who take care of young children or suffer from cardiovascular disease or chronic obstructive pulmonary disease
- the health system must be reorganized to deal with a pandemic; for example, in hospitals, those suffering from influenza must be separated from those who are not suffering from influenza and pregnant women must not be examined near those with influenza

- a vaccine should not be the total response to the H1N1 virus; hygiene will work best
- since there will not be enough vaccine for everyone, high-risk groups should be targeted
- H1N1 influenza is generally a benign disease, with morbidity and mortality rates that are similar to those for seasonal influenza

Mauricio Leiva, *California Department of Public Health*

- infectious diseases and bioterrorism must be monitored, detected and reported
- standardized lab testing and reporting, as well as surveillance reporting, systems are needed
- staffing levels at labs should be adequate
- definitions and case-reporting protocols should be standardized
- information sharing should be enhanced, as should surveillance
- social distancing should be used as a means to reduce the risk of being affected by the H1N1 virus
- communications regarding the H1N1 virus should be transparent, involve a consistent message and be in appropriate languages

THE WAY WE'LL BE

John Zogby, *Author and Pollster*

- some Americans are giving up on the American dream
- in response to how the American dream is defined, people fall into four categories:
 - traditional materialists: material success defines the American dream
 - secular spiritualists: spiritual fulfillment defines the American dream
 - deferred dreamers: the American dream, defined in terms of material success, will occur for the children of deferred dreamers rather than for the dreamers themselves
 - dreamless dead: the American dream, whether defined in material or spiritual terms, is not attainable
- according to a survey, 27% of respondents are working at a job that pays them less than a previous job
- the current recession accelerated a trend that was already under way: Americans no longer want to live extravagantly; that being said, "repackaging" is occurring, with "extravagant" being repackaged as "high quality"
- voters want legislators to "get the job done," rather than to "score points"

- one million American baby boomers are expected to live to be 100, the first age cohort for whom this situation exists
- a number of Americans are engaging in "volwork": "I may get paid for it, but it is something I want to do"
- America's first globalists are those who are now 18-30 years; 56% of American children have passports and have travelled abroad, including to visit friends they have met through social networking sites

EDUCATION COMMITTEE

Linda Bowman, *Community College of Aurora, Colorado*

- there are certain education-related facts that must be faced:
 - waste in the education system is tolerated
 - the education system is inherently inefficient
 - growing inequality in family incomes is leading to growing disparities in educational achievement
 - students have not been externally motivated to take harder educational pathways
 - the testing system in schools rewards those who are good at routine work
 - in schools, those with responsibility do not have the power to make the changes that are needed
- in moving forward with education reform:
 - it must be assumed that "the job will be done right the first time," so that remediation is not required
 - more efficient use must be made of available resources
 - teaching must become a more attractive career choice
 - recruitment from the top one-third of high school graduates for the next generation of teachers must occur
 - new standards, assessments and curricula must be developed
 - high-performance schools and districts must be created everywhere
 - high-quality, universal early childhood education must be provided
 - strong support must be given to those students who need it most
 - exercise, which boosts brain power, must be built into school curricula
 - technology must be leveraged, since people do not pay attention to things that they find boring
 - it must be recognized that stressed brains do not learn the same way as non-stressed brains, male and female brains are different, and sleep is important for thinking

- it must be remembered that better learning occurs when more of the senses are stimulated
- Colorado is undertaking a variety of education-related initiatives, in part to address "the Colorado Paradox": Colorado is in the top five of US states in terms of college degree holders per capita but is in the bottom quartile in terms of the number of high school students going on to earn a college diploma
- Colorado has rapidly growing Hispanic and English language learner populations as well as large differences in achievement between white students and black or Hispanic students and between poor and non-poor students
- the Governor of Colorado is committed to reducing the high school dropout rate by 50%, doubling the number of holders of college degrees and certificates, and eliminating achievement gaps; to help achieve these goals, a P-20 Education Council has been established, with four subcommittees: P-3, Data and Accountability, Educator, and Preparation and Transitions

Paul Koehler, *WestEd*

- usually, 40-45% of a state's general fund is spent on education from kindergarten through grade 12, yet results are lower than those desired by legislatures and policy leaders
- one important question is: what proportion of those who are not graduating on time is not graduating at all?
- often, students drop out of school because they lack proficiency in reading; reading proficiency is thought to be a "gateway skill"
- state legislators should:
 - look at dropout rates, graduation rates, achievement levels, the percentage of education funds that is spent in the classroom for instruction, the percentage of education funds that is not spent in the classroom but that is spent in supporting instruction in some other way, etc.
 - determine which programs and practices have a direct impact on dropout rates, graduation rates, achievement levels, etc.
 - regularly review programs and practices to determine which are having the intended results and which are not
 - repurpose funds if certain programs and practices are not working
 - seek independent expert help when required
 - add a funded, rigorous evaluation to every pilot project or new program

ECONOMY AND JOBS

Todd Buchholz, *Author and Economist*

- economists have a "miserable" track record in predicting what will happen next
- shockwaves of change are occurring

- America's middle class feels that it is in a pincer movement: people are unable to receive higher salaries because of competition with emerging nations, yet household costs are rising
- the US housing affordability index is "off the charts" and many Americans can afford to purchase a home as a consequence of low housing prices and low interest rates
- the US job market is in a "treacherous state" but it should be remembered that unemployment is a lagging indicator of recovery
- the global financial system has been harmed by the US housing bust, although housing alone did not bring down the financial system; the cause was the housing crisis in conjunction with such other factors as rising commodity prices that were unaffordable for consumers
- US banks did not perform due diligence; they gave loans to people who lacked a credit history, gave mortgages to people purchasing homes without any down payment and did not ask to see the tax returns of those to whom loans were being given
- during the Great Depression of the 1930s, three principal policy mistakes were made:
 - the US Federal Reserve Board let 30% of US banks fail and the money supply shrink by 30%
 - taxes were increased
 - the Smoot-Hawley tariff was implemented
- in October and November 2008, American banks would not lend to consumers, businesses or each other; the entire financial system went into "cardiac arrest"
- the United States should compete on the basis of expertise and service
- in the United States, there is an increased sense of frugality
- the most important economic issue of the future for the United States is education

HEALTH FORUM: BUILDING COLLABORATIVE PARTNERSHIPS

Jeannie Frazier, *Patient Advocate and Pink Ribbon Volunteer*

- in essence, chemotherapy involves pumping poison into the patient's system; under those circumstances, it is not surprising that "weird" things happen to the patient's body
- someone undergoing chemotherapy has endless questions and it is not possible to call a medical practitioner for an answer to every question; the Pink Ribbon Volunteers share what they have learned from their own experiences
- inflammatory breast cancer (IBC) is an orphan disease and affects less than 3% of breast cancer victims

- cancer does not discriminate on the basis of age, gender, education, socioeconomic status, etc.
- in respect of IBC, collaboration among the medical community, the private sector and legislators is required

Senator Tim Jennings, *State of New Mexico*

- in resolving medical issues, including inflammatory breast cancer, work must occur across state lines and win-win opportunities must be pursued

Massimo Cristofanilli, *University of Texas*

- diseases like inflammatory breast cancer are a global problem and research must be funded
- the best way to learn about a disease is in the lab as blood, tissue, etc. are analyzed
- a registry is needed: who are the women who have the disease? What do the victims have in common? Who is at risk? How can the disease be prevented? How can the disease be treated?
- progress can be made when different energies and different people who share a common vision come together

Richard Lauer, *University of New Mexico*

- it is important to collaborate and share protocols, best practices, etc.
- research funds should be leveraged
- mobile mammography equipment enables screening for those who otherwise would not have access to the needed equipment

FISCAL AFFAIRS COMMITTEE

Kris Mitchener, *Santa Clara University*

- initially, there was a consensus among academic economists that monetary policy, rather than fiscal tax or spending measures, could "smooth" the business cycle with relatively greater speed and relatively less waste than countercyclical tax or program spending; it became clear that this "medicine" was not sufficiently "potent" to deal with the current recession
- there are a variety of options to assist economic recovery:
 - middle-class tax reductions – while politically appealing and relatively easy to implement quickly, people do not always spend more when their tax bill is lower, particularly when household balance sheets are "severely damaged;" payroll tax reductions that are targeted to those with lower income may result in higher spending
 - investments in infrastructure – while infrastructure investments may make sense when unemployment is high and resources are idle, the impact may not be large

- funds given to states – since most states have balanced budget rules that necessitate spending reductions and/or higher taxes during a recession, which is when more spending and lower taxes are most needed, federal aid can be used to offset state and local spending reductions and to maintain vital services, such as policing and education
- the depression of the 1930s has been termed "the Great Depression" because it was the longest and most severe economic disaster for the US economy in the 20th century, with the contraction lasting from August 1929 to March 1933, unemployment reaching unprecedented levels and remaining in the double digits throughout the 1930s, and severe deflation occurring; gross national product did not reach its 1929 level until 1939
- the Great Depression of the 1930s "sealed" the collapse of the 19th century international system, challenged the legitimacy of the market system, lent impetus to central planning in Europe, produced the modern welfare state in western countries, produced modern financial regulation and legitimized restraints on capital mobility
- during the Great Depression, thousands of US banks failed, thereby worsening the recession, and the money supply fell by 33%
- a variety of policy mistakes were made during the Great Depression:
 - the US Federal Reserve Board was unwilling to use monetary policy to avoid bank failures
 - remaining on the gold standard limited the recovery and propagated deflation
 - the Smoot-Hawley tariff led to a trade war and to a collapse in trade
 - tax increases in 1932 reduced consumption, investment and spending
- the Great Depression permanently altered the structure of the American economy, leading to accelerated growth of government as a share of the gross national product, an irrevocably altered relationship among the levels of government and assumption of federal responsibility for the nation's economic health
- President Franklin Roosevelt's New Deal expanded the role of government, implemented sometimes contradictory policies that at times worked at cross-purposes and created new government agencies to manage policies
- the New Deal irrevocably altered the evolution of federalism, with a move toward sharing of fiscal functions as well as management and funding of public programs through intergovernmental grants that totaled about \$27.4 billion between 1932 and 1940
- the depth and persistence of the Great Depression affected the public's ideological bias against government intervention in the market, a view that largely endured until the 1970s and the "Great Inflation"

- during the 1973-1975 recession, the US Congress enacted a program of fiscal assistance as well as general revenue-sharing grants and local public works, but the aid was delivered after the recovery had already started and did little to forestall the states from taking actions that worsened the recession; it became clear that anti-recessionary aid needs to be: timely, ideally arriving shortly after the peak of the cycle; targeted to areas of need; and temporary, to be discontinued once the recovery is "firm"
- the current recession started in December 2007, and aid arrived in February 2009, five quarters later
- during the 1991 recession, there was slow growth in tax revenues; states disproportionately rely on sales and income taxes for revenue, and consumer spending fell and unemployment rose
- the 2001 recession, while short and shallow, severely strained state tax revenues; federal aid to states was distributed 19 months following the end of the recession and was allocated on a per capita basis with no consideration of local economic conditions

Michael Leachman, *Center on Budget and Policy Priorities*

- the current recession is relatively deep when compared with selected earlier recessions, and might be characterized as a very serious "Great Recession" that is unprecedented in many ways
- there have been declines in state sales taxes as a result of reduced spending, in income taxes as a result of job loss and in property taxes as a result of problems in the housing market
- state budget shortfalls are, at present, much worse than in previous recessions, and are likely to get worse before they get better
- in response to budget shortfalls, states have reduced spending, increased taxes and/or spent their reserves
- when states reduce their spending, there is relatively less demand in the economy, which further delays recovery from the recession
- it is a myth that the *American Recovery and Reinvestment Act of 2009* (ARRA), which was designed to provide assistance over a relatively significant period of time, is not working; in fact, it is working as intended, and the US Congressional Budget Office (CBO) has indicated that the fiscal stimulus will significantly increase economic activity over what it otherwise would have been
- it is a myth that the stimulus rollout is taking too long; in fact, money is flowing (by the end of August 2009, about \$150 billion had been spent and an additional \$128 billion had been obligated) and, in late September 2009, the US Government Accountability Office indicated that the money is flowing somewhat more quickly than the CBO predicted would be the case when the ARRA was enacted

- it is a myth that the ARRA is creating huge long-term deficits; in fact, ARRA spending is temporary and has a short-term – but not a long-term – impact
- it is a myth that US states are miss-pending the ARRA funds; in fact, states are generally spending the money as they should and are spending relatively quickly, and they are using the money to stabilize their budgets and to avoid additional spending reductions and/or tax increases
- 31 states have state policy groups affiliated with the Center on Budget and Policy Priorities

Representative Arnie Roblan, *Oregon House of Representatives*

- Oregon has been working on economic development issues for at least the last five years, and is determining how it will spend federal funds to ensure long-term impacts; some funds are being spent on energy-related initiatives
- a "rainy day fund" is important for helping to make it through "bad" times
- states cannot continue to do things that are not sustainable
- in Oregon, the driving principles include:
 - maximize federal matching funds that are sustainable and meet the state's mission, goals and priorities
 - create jobs
 - ensure long-term sustainability through a revenue stream that enables the continuation of important initiatives when federal funds are no longer available
 - spread stimulus funds across time and initiatives
- recovery typically comes to urban areas before it comes to rural areas
- since health care, education and governments are the largest employers in some rural areas, funds must be spent in these areas, in part to safeguard jobs
- efficiency and "green" are important
- companies should retool to meet the needs of new industries

PRESIDENTIAL LEADERSHIP

David Gergin, *Author and Political Commentator*

- everyone wants to get to the long term, since the short term is unpleasant
- many US Presidents served in a state legislature, and there is a long and storied history of state legislators becoming national figures
- only 15 years ago, the US seemed to be on top of the world; starting with the terrorist attacks of 11 September 2001, there have been many disruptions in the US
- key questions are emerging: will the United States continue to be "at the table"? If so, where will the US "sit" at the table? Will China be at the "head of the table"?

- other nations are moving ahead regardless of what the United States does
- the US' destiny is in the US' hands
- the first president of the 20th century was President Theodore Roosevelt, and he left a long-lasting legacy; the same was true of President Jefferson in the 19th century and is likely to be true of President Obama
- the United States has "problems" with big institutions, big government and the centralization of authority
- like Mahatma Gandhi and Martin Luther King, President Obama is a transformational leader; a new, young, vigorous, transformational president is leading a nation that is ready for change
- the "Obama magic" seems to be fading and the nation seems to be returning to vicious partisanship and polarization; almost by definition, if you are a Democrat, everything that President Obama does is right, and if you are a Republican, everything that President Obama does is wrong
- the Republicans are looking for new leadership, and they need to have a clear agenda that people understand
- the media need to help improve the quality of the dialogue and to make civility interesting again
- President Obama himself has contributed to some of the "headwinds" he is now facing
- President Obama has done a good job in that:
 - he is an eloquent and clear-thinking speaker
 - he has an audacious agenda and wants big changes
 - he is holding onto the base that elected him
- President Obama has not done particularly well in that:
 - he is having trouble making the transition from campaigner to chief executive and, at times, chief executives must take difficult decisions
 - it is not universally the case that people consider his decisions to be sound and well thought out
 - it is not universally the case that he is building a consensus around his decisions
- regardless of "political stripe," Americans should want their president to succeed
- it is likely that, in the US, there will be health insurance reform rather than health care reform
- while it is possible that there will be a V-shaped recession – fast in and fast out – it may be wishful thinking; the recession may, instead, follow the shape of the square root symbol

- the United States is likely to innovate, rather than tax or spend, its way out of the recession

WESTRENDS

Jerry O'Donnell, *United States Census Bureau*

- the US Constitution requires a headcount of everyone residing in the United States; the next Census will occur in 2010
- the population counts resulting from the Census determine each state's Congressional representation, are used by states for redistricting, affect funding for communities, and help inform decision makers about how the population is changing as well as what services they and their communities need
- the goal is to count everyone just once and in the right place
- an accurate population count through the Census is compromised by:
 - deliberate avoidance
 - fear of government
 - concerns about confidentiality
 - irregular housing
 - complex and fluid households
 - language barriers
 - new immigrants
- trends to track include:
 - continued growth in the US West and South
 - a non-metropolitan growth surge in the US West
 - population aging
 - changing household composition
 - rising rates of poverty
 - rapid growth in racial and ethnic groups
- the US West is the most dynamic region in the United States:
 - six of the ten fastest-growing states in the nation are in the West
 - the states with the highest rate of natural increase have been the western states of Utah, Alaska, California and Hawaii
 - the western states dominate the states that are experiencing the highest rates of net interstate migration
 - the diversity of the West will become more pronounced
- population growth in the US West has far exceeded that in the other US regions

- the most striking aspect of growth in the US West has been the rapid increase in minorities
- three states in the US West – California, Nevada and New Mexico – now have a “minority majority” population, meaning that the majority of the population is a visible minority
- since 1990, the US western states have experienced the highest rate of growth in all age groups
- the distribution, size and composition of the population shift, as well as the speed with which the movement has occurred in the US western states, will continue to have a major impact on the social, cultural, political, fiscal and environmental aspects of these states, placing demands on government policy makers and planners

Mary Jo Waites, *National Governors Association*

- the 21st century, which will be highly competitive, will be driven by innovation; many of the factors that give regions and states an innovative edge are created, not inherited
- according to the founder of Intel, a country cannot recover from a recession on the basis of products that it had when the recession started; recovery must occur on the basis of new products
- companies and entrepreneurs are moving from "closed innovation," with in-house research capability, to "open innovation," where innovation occurs with the research discoveries of others
- companies are looking for ideas and for talent anywhere and everywhere
- in an iPod, seven of the most expensive inputs are supplied by seven different companies headquartered in four different nations with manufacturing locations in five different countries; Apple's value is generated by market knowledge, intellectual property, systems integration, cost-management skills and brand name
- from the perspective of the past, the US was characterized by cost-competitive producers in a national economy dominated by the production of "stuff;" now, the US can be characterized as a high-cost location in a global economy dominated by the creation of ideas
- there are shifting sources of wealth, from such "inherited" assets as geography, climate, natural resources and population to such "created" assets as top universities and research centres, talented people, an entrepreneurial culture, networks and world-class amenities; public policy choices drive the “created” assets
- today, there is a "war for talent," and a region's economic success depends on attracting and retaining people, who are highly mobile "consumers of place"
- some states are relatively more attractive to talent than others because of:

- natural environment
- urban amenities
- smart people and innovators with whom to interact
- intangibles, such as "hipness" and a tolerant, inclusive culture

John Peterson, *The Arlington Institute*

- we are living in an extraordinary period of exponential change, with lots of change occurring in small periods of time
- change is accelerating, and each change has nine to ten times more complexity than its predecessor
- according to Ray Kurzweil, the paradigm shift rate – the overall rate of technical progress – is currently doubling every decade or, alternatively, the paradigm shift times are halving every decade and the rate of acceleration is itself growing exponentially; the 21st century will see almost 1,000 times greater technological change than its predecessor, which is equivalent to about 80 times the advancements of the last century in the next ten years
- it is not possible to make sense of the succeeding paradigm on the basis of the preceding paradigm
- the equation of the future is: trends + crosscuts + wild cards = future
- crosscuts occur when trends cross each other
- one intrinsic problem is that trends always end; another problem is that crosscuts rapidly become hard to understand in any conventional way
- wild cards are low-probability, high-impact events that are so big or come so fast that social systems cannot deal with them effectively
- wild cards are not trends, unanticipated consequences or little surprises
- the world is currently undergoing an economic shock as big as the Great Depression, and looking just at the US leads one to overlook how alarming the current situation is in comparison with the Great Depression
- human beings make sense of their environment based on patterns, and they see the world as a series of observations; the gaps are “filled” with past experiences
- orientation includes cultural traditions, analysis and synthesis, previous experiences, new information and genetic heritage
- orientation shapes observation, decisions and actions and, in turn, is shaped by feedback and other phenomena
- changing one's orientation is both psychologically painful and difficult, and involves:
 - destroying cherished belief systems and ideologies flowing from one's previous experiences and cultural heritage

- creating new, more relevant ways of looking at the world
- the first law of discordianism is that convictions cause convicts: whatever you believe imprisons you
- the problem for many individuals is that they do not distinguish between what they believe and what they know
- it must be recognized that:
 - most legislators are conservative
 - legislators must maintain a relationship of credibility with their constituents
 - majorities are never at the leading edge
 - the looming “big change” will not be apparent to most people
 - people must learn about what is on the horizon or the changes ahead will be surprises
 - effective legislators must have vision and become leaders

Respectfully submitted,

Hon. Wilfred P. Moore, Q.C., Senator
Acting Co-Chair
Canada-United States
Inter-Parliamentary Group

Gord Brown, M.P.
Co-Chair
Canada-United States
Inter-Parliamentary Group

Appendix A

STATES REPRESENTED IN THE COUNCIL OF STATE GOVERNMENTS-WEST

Alaska

Arizona

California

Colorado

Hawaii

Idaho

Montana

Nevada

New Mexico

Oregon

Utah

Washington

Wyoming

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Council of State Governments-WEST - 62nd Annual Meeting
DESTINATION	Santa Fe, New Mexico, United States of America
DATES	October 5 – 8, 2009
DELEGATION	
SENATE	Hon. Percy Downe, Senator
HOUSE OF COMMONS	Ø
STAFF	Ms. June Dewetering, Analyst
TRANSPORTATION	\$3,303.52
ACCOMMODATION	\$1,418.94
HOSPITALITY	\$Ø
PER DIEMS	\$776.99
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$875.00
TOTAL	\$6,374.45