

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 16th Annual Conference
of the McGill Institute for the Study of Canada**

Canada-United States Inter-Parliamentary Group

Montreal, Quebec, Canada

March 24-25, 2011

Report

DELEGATION MEMBERS AND STAFF

On March 24 and 25, 2011, the Honourable Senator Janis G. Johnson led a delegation of members of the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) to the 16th annual conference of the McGill Institute for the Study of Canada (MISC) in Montreal, Quebec. The other members of the delegation were the Honourable Senators W. David Angus, Q.C., Francis Fox, P.C., Q.C., and Paul Massicotte. The delegation was accompanied by Ms. Angela Crandall, IPG Executive Secretary, and Mr. Mohamed Zakzouk, Advisor to the IPG.

THE EVENT

The MISC hosts bilingual annual conferences designed to foster discussions on topics of interest to Canadians and to encourage open and non-partisan dialogue on current policy issues. This year's conference, *Canada and the United States: Conversations and Relations*, focused on a series of conversations between Canadians and Americans about fundamental aspects of the Canada-U.S. relationship.

DELEGATION OBJECTIVES FOR THE EVENT

The Canada-United States Inter-Parliamentary Group aims to find points of convergence in respective national policies, to initiate dialogue on points of divergence, to encourage the exchange of information and to promote better understanding among legislators on shared issues of concern. Members of the Canadian Section of the IPG meet regularly with their federal counterparts and, in recent years, have attended meetings of governors and state legislators. At these events, Canadian delegates take the opportunity to engage in the conversations that will help achieve the Group's objectives, and to communicate the nature and scope of the bilateral relationship.

IPG delegates found the 2011 annual conference of the MISC to be a valuable opportunity to meet with others who are also working on strengthening Canada's relationship with the United States. They were pleased to discuss a range of key Canada-U.S. issues, including trade, security, energy and border concerns. Feeling that the delegation was able to achieve its objectives for the event, the Canadian Section of the IPG intends to attend future MISC conferences to continue its work on strengthening Canada-U.S. relations.

ACTIVITIES DURING THE EVENT

During the 2011 MISC conference, a number of topics regarding Canada-U.S. relations were discussed, including trade, innovation, energy, sustainable development, border security and management of Canada-U.S. diplomatic relations. Speakers at the conference included, among others, His Excellency the Right Honourable David Johnston, Governor General of Canada, the Right Honourable Brian Mulroney, former Prime Minister of Canada, the Honourable James A. Baker, III, former U.S. Secretary of State, His Excellency Gary Doer, Canadian Ambassador to the United States, His Excellency David Jacobson, U.S. Ambassador to Canada, the Honourable Jean Charest, Premier of Quebec, and the Honourable Peter Shumlin, Governor of Vermont.

The IPG delegation was pleased to attend the conference and to discuss, between sessions, a variety of issues of national importance for Canada and the United States, especially regarding the opportunities that lie ahead of the Canada-U.S. partnership.

This report summarizes the discussions that occurred at the conference.

OPENING ADDRESS

His Excellency the Right Honourable David Johnston, Governor General of Canada, presented the opening address to the conference, where he highlighted the importance of building a smarter, more caring nation, and of developing Canadian talent and knowledge to improve the human condition in Canada and around the world. He stressed the importance of seeing equality of opportunity and excellence as mutually reinforcing goals rather than as mutually exclusive objectives, and stated that one way to improve equality of opportunity in Canada could be to set a goal of raising Canada's high school graduation rate to 90% by 2017. The Governor General also emphasized the importance of the relationship between Canada and the United States, characterizing the relationship as Canada's "single most important" foreign and domestic policy issue. He stressed the need for continued collaboration between the two countries, particularly in the areas of innovation and information-sharing, stating that "the strength of our ideas and pace of our innovation will determine our quality of life."

PRESIDENTS AND PRIME MINISTERS

Former U.S. President George H. W. Bush appeared by video conference, and praised the strong history of Canada-U.S. relations. He highlighted key bilateral achievements, such as the *Acid Rain Accord*, the *North America Free Trade Agreement* (NAFTA) and Operation Desert Storm, which was part of a collaborative effort by the United Nations in response to the Iraqi invasion of Kuwait.

In an exchange between the Right Honourable Brian Mulroney, former Prime Minister of Canada, and the Honourable James A. Baker, III, former U.S. Secretary of State, both speakers stressed the importance of maintaining strong personal relations between Canadian and U.S. officials in order to facilitate the advancement of bilateral and international negotiations regarding issues of bi-national interest. Mr. Baker highlighted the important role that Canada played as a U.S. ally in Operation Desert Storm, and pointed out that if not for the mutual political will, courage and commitment of Canadian and U.S. officials, the "extraordinarily difficult" negotiations that resulted in the *Acid Rain Accord* and NAFTA would not have been concluded. He stressed the importance of Canada as a trading partner of the United States, citing the economic growth and employment opportunities that have resulted from NAFTA. In conclusion, Mr. Baker stated that a free trade agreement for the Americas would be "one of the best things" that could happen to Canada and the United States moving forward.

Mr. Mulroney reiterated Mr. Baker's praise of NAFTA, pointing out that annual Canada-U.S. trade is worth approximately \$700 billion and is the generator of millions of jobs in the United States. He stated that "Canada buys more goods from the [U.S.] than all 27 countries of the European Union combined ... and a few years ago, there was more [bilateral] trade across the Ambassador Bridge [between Windsor and Detroit] than America did with the nation of Japan." In conclusion, Mr. Mulroney stated that a

Canada-U.S. deal on perimeter security is a “vital idea” that should be pursued to ensure the continued ease of free trade between the two countries. He also recommended the appointment of a senior Canadian minister for Canada-U.S. relations, similar to ministers of European Relations in European countries, and the creation of a Canadian consulate in every major population centre in the U.S. to ensure an adequate representation of Canada’s interests south of the border.

DIPLOMATIC RELATIONS: MANAGING THE CANADA-U.S. RELATIONSHIP

In a discussion between His Excellency Gary Doer, Canadian Ambassador to the United States, and His Excellency David Jacobson, U.S. Ambassador to Canada, both speakers agreed that the security of Canada and the United States are inextricable. Ambassador Doer advocated the pursuit of perimeter security using the North American Aerospace Defence Command (NORAD) as a model, stating that NORAD has been successful for many years. Ambassador Jacobson argued that Canada-U.S. border policy should seek to achieve both security and efficiency simultaneously through mechanisms that facilitate border crossing. Ambassador Doer added that facilitating Canada-U.S. border crossing would create “tens of thousands of jobs” for U.S. residents, which is especially important at a time when unemployment in the United States is high.

Both Ambassadors agreed that the trade relationship between Canada and the U.S. is mutually beneficial. Ambassador Jacobson highlighted Canada as a strategic market to ensure the success of the U.S. Administration’s National Export Initiative, which would see a doubling of U.S. exports over a five-year period. He pointed out that, last year alone, the increase in exports from the United States to Canada was valued at approximately \$44 billion, an amount that is equivalent to total annual U.S. exports to Germany, and the increase in Canadian exports to the United States was valued at approximately \$50 billion, an amount that is equivalent to three times the total annual Canadian exports to China.

Regarding energy security, Ambassador Jacobson acknowledged Canada’s role as the largest, safest and most secure foreign source of oil to the United States. However, he noted that most American citizens are not sufficiently aware of Canada’s role. Ambassador Doer stated that, in order to improve Canada’s image as an oil exporter, Canadian officials must communicate more effectively, especially in Washington, regarding environmental improvements in Canada’s energy sector.

ECONOMICS, TRADE AND INNOVATION

In a panel discussion among Sean Finn of the Canadian National Railway Company (CN), Alvin Segal of Peerless Clothing, and Frank McKenna of the Toronto Dominion Bank Financial Group (TD Group), the speakers discussed the advantages and challenges, in their respective fields, of doing business in both Canada and the United States. There was general agreement that the strong Canada-U.S. trade links have facilitated business operations between the two countries. Mr. McKenna stated that, for the TD Group, “cross-fertilization [with U.S. service standards] introduced extraordinary benefits in Canadian operations.”

Both Mr. Finn and Mr. Segal highlighted thickening of the shared border as a challenge facing their businesses. Mr. Finn explained that, as part of CN's strategy to establish Canadian ports at Prince Rupert, Vancouver and Halifax as "gateways to North America," CN has had to address ongoing concerns from foreign traders regarding possible border challenges in delivering their products to the United States. Although Mr. McKenna indicated that the thickening of the Canada-U.S. border does not pose significant challenges to his business, he agreed that greater ease in crossing the border is favourable, and supported the concept of perimeter security as well as further harmonization of Canadian and U.S. standards and policies.

ENERGY AND SUSTAINABILITY

In a panel discussion among Patrick Daniel of Enbridge Inc., the Honourable Gordon Griffin, former U.S. Ambassador to Canada, and Thierry Vandal of Hydro Québec, the speakers discussed future opportunities for Canada and the United States in the areas of energy and sustainability. There was general agreement that a variety of energy sources will be necessary for North America's energy future. Mr. Vandal identified the following as key aspects of sustainable energy development:

- investment in infrastructure, particularly to develop different energy sources and in energy efficiency technology;
- growth in the renewable portion of the Canada-U.S. energy mix; and
- electrification of existing infrastructure, particularly in the transportation sector, to allow for less dependence on fossil fuels.

He also stated that new grid technology, also known as smart grids, will likely change the nature of the electricity business by allowing more controllable and interactive electricity distribution systems. Mr. Vandal identified materials science, particularly battery material, as a fundamental challenge where improvement is needed.

Regarding the oil and gas sector, Mr. Daniel pointed out that, even though the Canadian and U.S. industries are interdependent, Canada is far more reliant on the United States than the United States is on Canada. While Canadian exports account for 20% of U.S. oil imports, 100% of Canada's oil exports go to the United States. He advocated the broadening of Canada's trade relationships in the sector, for example with markets in South East Asia, coincident with continued and strong energy trade with the United States. Mr. Daniel also called for the harmonization of Canadian and U.S. legislation on greenhouse gas emissions.

Mr. Griffin stressed the mutually beneficial role of integrated Canada-U.S. energy infrastructure, notably north-south interconnected grids and pipeline systems, to facilitate bilateral energy trade. He stated that Hydro Québec can be the "solution for the electricity demand in the North Eastern United States," and supported further investments in energy infrastructure to stimulate economic growth.

GOVERNORS AND PREMIERS

In an exchange between the Honourable Jean Charest, Premier of Quebec, and the Honourable Peter Shumlin, Governor of Vermont, both speakers highlighted the fundamental role that states and provinces play in Canada-U.S. relations. They agreed that states and provinces, particularly Quebec and Vermont, have deep-rooted relations on a wide range of policy issues. Premier Charest stated that the relationships between and among states and provinces have been growing in importance, and that leadership on a number of issues, especially energy, the environment and climate change, have primarily been the result of cooperation between provincial and state governments.

Regarding the involvement of national governments in provincial-state relations, Governor Shumlin highlighted the eastern regional initiative to construct the first high speed rail network in North America, linking Montreal, New York City and Boston. He stated that the project is an example of an important state-provincial partnership where cooperation from the national governments is necessary.

Both leaders highlighted the importance of Canada-U.S. energy trade. Governor Shumlin stated that Quebec's energy exports to Vermont are fundamental in helping the state reduce its reliance on oil, adding that there are "huge economic opportunities" for all stakeholders in the greening of the eastern regional economy.

SPECIAL PRESENTATION: A SURVEY OF PUBLIC OPINION IN CANADA AND THE UNITED STATES

Nik Nanos of Nanos Research gave a special presentation in which he shared the results of his recent survey of public opinion regarding Canada-U.S. relations. Table 1 presents some of the results shared by Mr. Nanos from Canadian survey respondents.

Table 1: Results from Canadian Survey Respondents

	Canadian Respondents in Agreement
A positive relationship between Canada's Prime Minister and the U.S. President is somewhat to very important	73%
The relationship between elected officials in Canada and the U.S. is somewhat to very important	47%
Good relations between provincial premiers and U.S. governments are very important	45%
The United States is Canada's most important partner for economic prosperity	64.2%
The United States is Canada's most important partner for research and development	59.2%

The United States is Canada's most important partner for energy self-sufficiency	63.9%
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Regarding energy security, Mr. Nanos reported that about 81% of Canadian survey respondents and 88% of U.S. survey respondents agree or somewhat agree that it is important that both countries “work together to develop an integrated energy policy to remove any dependence on Middle East Oil”. These results have been relatively stable over six years of tracking.

Mr. Nanos also shared survey results indicating a decline in support for cooperation on security issues since 2005. These results are summarized in Table 2.

Table 2: Changing trends in opinions on security (2005-2010)

	Canadian Respondents		U.S. Respondents	
	2005	2010	2005	2010
In favour of closer cooperation on national security policies, as opposed to maintaining separate security policies	64%	57%	73%	66%
In favour of greater and closer cooperation on border security, as opposed to maintaining separate national security policies	75%	65%	81%	73%
In favour of greater and closer cooperation on anti-terrorism, as opposed to maintaining separate policies	73%	64%	86%	79%

Mr. Nanos concluded by indicating that the majority of opinion in Canada and the United States favours cooperation and alignment. He added that, generally speaking, “the sensational portrayal of Canada as a security problem has had little or no impact on the views of Americans in terms of security on border cooperation with Canada.”

Respectfully submitted,

Hon. Janis G. Johnson, Senator
Co-Chair
Canada-United States
Inter-Parliamentary Group

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

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	16th Annual Conference of the McGill Institute for the Study of Canada
DESTINATION	Montreal, Canada
DATES	March 24-25, 2011
DELEGATION	
SENATE	Hon. Janis G. Johnson, Senator Hon. W. David Angus, Q.C., Senator Hon. Francis Fox, P.C., Q.C., Senator Hon. Paul Massicotte, Senator
HOUSE OF COMMONS	
STAFF	Angela Crandall, Executive Secretary Mohamed Zakzouk, Advisor
TRANSPORTATION	\$313.52
ACCOMMODATION	\$470.13
HOSPITALITY	\$ Ø
PER DIEMS	\$677.00
OFFICIAL GIFTS	\$ Ø
MISCELLANEOUS/REGISTRATION FEES	\$1,200.00
TOTAL	\$2,660.65