



Straight Talk

March 2016

Straight Talk: Derek Burney and David Wilkins

On the occasion of Prime Minister Justin Trudeau's upcoming State Dinner in Washington with US President Barack Obama, MLI interviewed Derek Burney and David Wilkins for the latest in its *Straight Talk* series of Q and As. The former ambassadors to Washington and Ottawa respectively shared insights from years of top-level experience with Canada-US relations about the challenges and opportunities for the two countries in the coming years.



Ambassador David Wilkins is a partner at Nelson Mullins Riley & Scarborough LLP and chairs the Public Policy and International Law practice group with a special focus on US-Canada interests.

He proudly served as U.S. ambassador to Canada from June 2005 to January 2009, appointed by President George W. Bush.

Since returning home from Canada, Wilkins spent six years chairing the Clemson University Board of Trustees and remains an active member of that board. He also sits on the boards of Porter Airlines, Mattamy Homes and Resolute Forest Products.

In 2010, then South Carolina's Governor-elect Nikki Haley tapped Wilkins to chair her government transition team.

First elected in 1980, Wilkins served 25 years in the South Carolina House of Representatives. He was elected speaker in 1994 – a position he held for 11 years until he resigned for his ambassadorship post.



Former ambassador Derek Burney became Chief of Staff in the Office of the Prime Minister in 1987, where he was directly involved in the negotiation and successful conclusion of the Canada-US Free-Trade Agreement. Mr. Burney served as Canada's Ambassador to the United States from 1989 to 1993 and played a central role in the negotiations that led to the North American Free-Trade Agreement (NAFTA) and the conclusion of the Acid Rain Treaty.

Mr. Burney was appointed Chairman and Chief Executive Officer of Bell Canada International (BCI) in 1993. He is currently senior strategic adviser at Norton Rose Fulbright in Ottawa.

The authors of this document have worked independently and are solely responsible for the views presented here. The opinions are not necessarily those of the Macdonald-Laurier Institute, its Directors or Supporters.

MLI: The big news in Canada-US relations has been the appointment of a new Canadian Ambassador to Washington, David MacNaughton, and Prime Minister Justin Trudeau's attendance at a State Dinner hosted by U.S. President Barack Obama this month. What is the significance of the invitation? And would you say that it's unusual that it has been 19 years since the last state dinner for a Canadian prime minister?

Burney: The invitation is essentially symbolic, a bit late perhaps if not unusual given our relationship, but a welcome gesture at any time. Given the breadth and depth of our relations with the United States, top level meetings – symbolic or otherwise – can be used to advance the interests of both countries.

Wilkins: A state dinner is nice but it is all glitter and not substance. It is mostly symbolic and frankly would have been more meaningful and impactful had President Obama made the offer during his first term when Prime Minister Harper was still in office. It is much more important for the leaders of our two countries to have a solid, personal relationship like President Bush and Prime Minister Harper did. Diplomacy is all about relationships and timing.

MLI: Can you each think of a few instances when the relations between a Canadian Prime Minister and a US President have been good, and not so good, and what have been the consequences?

Burney: I am of course biased but I think that the Mulroney-Reagan, Mulroney-George H. W. Bush years from 1984 to 1993 were the high point, an exemplar in terms of personal chemistry at the top and significant and mutually beneficial achievement both bilaterally and globally. The Free-Trade Agreement, NAFTA, the Acid Rain Accord and the Arctic Cooperation (Northwest Passage) agreement were notable accomplishments, each the result of persistent prodding by the leaders of our respective governments. During the same period, the first Gulf War, the unification of Germany, the collapse of the Soviet Union and the end of apartheid in South Africa were events of momentous global importance and, on each, the U.S. President and the Canadian Prime Minister were in the forefront of discussions and decisions.

This was a time when trust and respect at the top anchored the tone as well as the substance of our relations, demonstrating clearly that proximity was more than a matter of shared geography. Our leaders used their political capital to ensure that we derived the most from our shared values and interests as well as from common objectives on breaking global events.

The Trudeau-Nixon years were at times chilly but improved under President Ford and President Carter's terms in office. It was primarily thanks to President Ford that Canada became a member of the G-7, balancing the addition of Italy.

The tone at the top can make a distinct difference. For one thing, access is key for ambassadors, especially in Washington which is home for some 200 ambassadors. When that tone is positive, ambassadors get their calls answered. That is the way it works. There will always be differences on some issues but it helps if the basic motivation on both sides is to alleviate rather than exacerbate such differences.

Any new Canadian Ambassador in Washington needs also to understand that the President and the administration are not all powerful. The separation of powers, notably the independent authority of Congress, is a fact of life, one that obliges attention and careful nurturing by our diplomats to complement regular discussions with the administration.

Wilkins: As I mentioned above, diplomacy is all about relationships. Important things get accomplished when relationships, especially at the very top, are strong. I saw this firsthand as I watched President George W. Bush actively engage with Prime Minister Harper over the softwood lumber issue. Softwood lumber was not one of President Bush's top priorities at the time, but upon learning directly from Prime Minister Harper how significant it was to him, to Canadians, and to the health and welfare of the U.S.-Canadian relationship, President Bush immediately made resolving the softwood lumber dispute a top priority. Consequently, within months of the two leaders meeting face to face and because of their joint efforts and good relationship, the Softwood Lumber Agreement was signed ending decades of litigation and disagreement.

In recent years, with the U.S. adopting a more protectionist tone, and with the current administration making internal U.S. politics a much higher consideration above smart, strategic bilateral policy in the years-long Keystone XL pipeline process, the U.S.-Canada relationship has suffered. With a politically-likeminded Prime Minister now serving in Ottawa, we see the White House hosting a state dinner, and that is a positive first step. But the Canadians and Americans, who day in and day out engage in cross-border trade and travel, who seamlessly continue to build this partnership and make it work, are the true heroes and the reason why ultimately the U.S.-Canada partnership continues to be the most peaceful and productive the world has ever known.

MLI: How should Canadians view the current US election and the perhaps surprising success of the Trump and Sanders campaigns? Do some of the candidates' policies present potential sources of friction with Canada's government?

Wilkins: After seven years of the Obama Administration, a majority of Americans are simply angry and frustrated at their government. They are ready for a change and Donald Trump has struck a deep chord. He is boldly promising to fix all our problems – without offering any specific plans as to how he'll do it. But this is familiar territory to Americans: Seven years ago Barack Obama promised “hope and change” and asked Americans to trust that his force of personality would bring about the favoured results. Donald Trump is doing much of the same thing now.

As for Bernie Sanders, he might be the single most honest candidate running in this race. While I personally disagree with the vast majority of his policies, he doesn't run from who he is and even Hillary Clinton is adopting many of his positions. He is an unabashed, avowed socialist promising to bring our country further to the left than Obama has – and he makes no bones about it. His promises of free college and free healthcare are finding many sympathetic ears – especially among young voters – here in the U.S.

Both Trump and Sanders are having a profound effect on the campaigns of their respective opponents. For example, Trump has forced other GOP candidates to take tougher stands on immigration, while Sanders has forced Clinton to move significantly to the left on issues such as the Trans-Pacific Partnership and the Keystone XL pipeline – both of which she had spoken positively about as secretary of state.

A Trump or Sanders presidency would offer significant challenges to Canada. If Trump wins, he has, for example, been inconsistent regarding his support for the Keystone XL pipeline project, unlike all other Republican candidates who are solidly behind it. There are also concerns about issues of protectionism and trade.

Those concerns obviously increase exponentially with a Sanders' presidency because he has clearly shown that he is not a free trader and is vigorously anti-fossil fuel. There can be little doubt that Sanders' opposition combined with the President's anti-oil-sands rhetoric forced Clinton to voice her strenuous opposition to KXL. In my opinion, a Sanders administration would have a detrimental effect on our bilateral economic relationship.

Also, both Sanders and Trump have expressed serious concerns with NAFTA, while neither has expressed any interest in renewing the Softwood Lumber Agreement with Canada, which expired last October.

Burney: Canadians follow U.S. presidential elections with avid interest and 2016 is no exception. I suspect that some regard the possible election of either Donald Trump or Bernie Sanders with the same degree of apprehension as some Americans.

Either candidate, if successful, could pose some daunting challenges, especially on international trade and volatile global issues. But both have clearly struck a nerve of dissatisfaction over prevailing political trends in America.

Ultimately, only Americans will make the choice and Canada, along with other U.S. allies and neighbours, will be obliged to adapt prudently in order to articulate and defend our interests in the most efficient manner possible with whomever is elected. The emphasis should be on the mutually beneficial nature of our economic, environmental and security interests and objectives. We need to recognize, too, that the underpinning fibre and value of our relationship depends heavily on the extensive network of personal and private sector links that transcend those between governments.

MLI: Derek, can you give us a sense of what the most important bilateral issues for Canada are going to be, and how we can best advance them?

Burney:

1. Bilateral trade is the hardy perennial for Canada in most high-level meetings with the U.S. and 2016 is no exception. The prospect for renewal of the Softwood Lumber Agreement is probably the most contentious at the moment, but, at any given time, there are several items of friction. Another managed trade solution on lumber would run counter to the spirit of NAFTA but, given the record to date, is probably the best, worst case objective for Canada.
2. President Obama's veto of the Keystone XL pipeline has chilled an otherwise robust two-way flow of energy. While there is certainly the need for some pragmatic fence-mending on energy, no clear solutions are in sight. Increased production from the Marcellus and Utica shale basins actually poses a threat to traditional markets for western Canadian gas both in Canada and the U.S. which is one reason why LNG (liquefied natural gas) projects in Canada urgently merit more forthright government support.
3. The Americans may be interested if not concerned about Canada's stated intent to negotiate free trade with China.
4. The Trans-Pacific Partnership is not likely to loom large in discussions given that the President's ability to gain Congressional approval seems highly remote. But there will likely be an exchange on the topic in any event.
5. Clean energy is an area for common ground if not a topic for substantive, bilateral progress. Given the Supreme Court decision blocking EPA (Environmental Protection Agency) directives on coal and staunch opposition more generally from Congress, the President may be hard-pressed to explain how the U.S. intends to fulfill the aspirations agreed to at the Paris climate conference late last year. Mr. Trudeau might press for some clarity on this point before committing Canada to unilateral measures that would otherwise hamper competitiveness.
6. At least publicly the Americans have accepted Canada's modified role against ISIS. If the Trudeau government is also ready to alter its campaign position and consider purchasing F-35 fighter jets, that may help the tone and tenor of broader security discussions.
7. The administration may also be interested in Canada's experience in hosting 25,000 Syrian refugees but will be constrained from doing anything similar by rigid opposition in Congress. However, there could be some security concerns in Washington about potential leakage over their northern border.
8. The Arctic is an area where, despite some conflicting legal claims, Canada and the U.S. have shared interests and, in light of increasing Russian and Chinese activity in the region, shared concerns as well. A constructive dialogue on economic, environmental and security aspects of our northern neighbourhood would be timely.

MLI: And what are the most important issues for the United States in dealing with Canada?

Wilkins: I think we are at an interesting intersection historically with President Obama being a lame duck president and Prime Minister Trudeau just beginning his mandate. While the two share similar political philosophies and would have certainly enjoyed working together (as the White House state dinner to be held in Trudeau's honour indicates) they only have less than 10 months together before a new president is in the Oval Office. That does not leave much time to carve out sweeping new initiatives.

For now, ensuring the viability and strength of our bilateral economic trade relationship – in the face of increasing worries of economic downturns on both sides of the border, mounting debt and deficits, and plummeting oil prices (not to mention the lingering fallout from the president's rejection of the Keystone XL pipeline) should be a top priority for both leaders.

And as the polls in the US continually reinforce, security in the face of an increased terror threat from ISIS is the top priority for Americans. Americans want this administration actively engaged on border security

issues with both our northern and southern neighbours and they don't want the threat underestimated or downplayed.

The Obama administration has already praised Trudeau's "training only plan" when it comes to ISIS so I doubt there will be a vigorous discussion on a U.S.-Canada game plan to actively engage on fighting ISIS. I would also think the president will want some clarification from the Prime Minister on where Canada is headed in regards to TPP ratification. Softwood lumber trade and a potential softwood lumber agreement will likely be discussed with little substantive progress being made. Since Obama and Trudeau share a passion for "fighting" climate change, I imagine that building on post-Paris COP (Conference of the Parties) talks will be a top priority for these two leaders.

MLI: How will the U.S. regard the Trudeau government's policy of legalizing marijuana?

Wilkins: Since some states have already legalized marijuana I don't imagine there will be much of an outcry. Many Americans will not be surprised by the legalization of marijuana in Canada.

Burney: Legalized marijuana is a pot too far for me.

MLI: David raised the importance of nurturing relationships within with Congress as well as in the White House. To choose one recent example, the repeal of country of origin labelling for meat has been characterized as a legislative victory for Canada. Can you comment on the approach our diplomats used in terms of gaining support in Congress for the Canadian position, and what lessons that holds for the new government?

Wilkins: Again I just have to come back to this fact: diplomacy is all about relationships. There was much lifting by many hands on this issue from both the federal and provincial fronts. Certainly our friend, former Ambassador Gary Doer, was a very capable and effective advocate for Canada on the issue and worked the issue aggressively on Capitol Hill. On the provincial level, Saskatchewan Premier Brad Wall, in particular, was a vital part of this effort. He visited Washington and met with members of Congress, wrote letters and op-eds, and worked to make sure official Washington understood what was at stake.

Burney: Action to overturn the Country of Origin Labelling legislation that discriminated against imports of Canadian (and Mexican) meat were ultimately successful but required several lengthy WTO appeals and persistent representations to Congress by Canadian diplomats.

This is just one example of why the mood of Congress, not just the administration, has to be a top concern for Canadian diplomats. We need to use all the available instruments, including trade agreements, to secure access in our most vital market.

MLI: Looking forward, what are the biggest challenges and opportunities for the two countries to work together?

Wilkins: The single biggest challenge we both face are uncertain economies. Canada really needs a strong U.S. economy and we are just not there, and now Canada is planning to run years-long deficits. This doesn't bode well for either of us. I also think many Canadians and Americans are not facing the threat from ISIS and other radical groups in a realistic fashion. We lived through 9-11 and some are acting like it never happened. With our economies so uncertain, with oil at an all-time low, and government spending at an all-time high, one calamitous event to either nation could be truly devastating. Another major challenge is to put the politics and acrimony of the last few years behind us and work together to adopt a true "all of the above" compatible energy policy where governments don't pick winners and losers and negatively impact their respective economies with an unrealistic environmental policy.

CELEBRATING



MLI

5 Years of True North in Canadian Public Policy

Critically Acclaimed, Award-Winning Institute

The Macdonald-Laurier Institute fills a gap in Canada's democratic infrastructure by focusing our work on the full range of issues that fall under Ottawa's jurisdiction.

- The Macdonald-Laurier Institute fills a gap in Canada's democratic infrastructure by focusing our work on the full range of issues that fall under Ottawa's jurisdiction.
- One of the top three new think tanks in the world according to the University of Pennsylvania.
- Cited by five present and former Canadian Prime Ministers, as well as by David Cameron, the British Prime Minister.
- First book, *The Canadian Century: Moving out of America's Shadow*, won the Sir Antony Fisher International Memorial Award in 2011.
- *Hill Times* says Brian Lee Crowley is one of the 100 most influential people in Ottawa.
- The *Wall Street Journal*, the *Economist*, the *Globe and Mail*, the *National Post* and many other leading national and international publications have quoted the Institute's work.



"The study by Brian Lee Crowley and Ken Coates is a 'home run'. The analysis by Douglas Bland will make many uncomfortable but it is a wake up call that must be read."

FORMER CANADIAN PRIME MINISTER PAUL MARTIN ON MLI'S PROJECT ON ABORIGINAL PEOPLE AND THE NATURAL RESOURCE ECONOMY.

Ideas Change the World

Independent and non-partisan, the Macdonald-Laurier Institute is increasingly recognized as the thought leader on national issues in Canada, prodding governments, opinion leaders and the general public to accept nothing but the very best public policy solutions for the challenges Canada faces.



About the Macdonald-Laurier Institute

What Do We Do?

When you change how people think, you change what they want and how they act. That is why thought leadership is essential in every field. At MLI, we strip away the complexity that makes policy issues unintelligible and present them in a way that leads to action, to better quality policy decisions, to more effective government, and to a more focused pursuit of the national interest of all Canadians. MLI is the only non-partisan, independent national public policy think tank based in Ottawa that focuses on the full range of issues that fall under the jurisdiction of the federal government.

What Is in a Name?

The Macdonald-Laurier Institute exists not merely to burnish the splendid legacy of two towering figures in Canadian history – Sir John A. Macdonald and Sir Wilfrid Laurier – but to renew that legacy. A Tory and a Grit, an English speaker and a French speaker – these two men represent the very best of Canada’s fine political tradition. As prime minister, each championed the values that led to Canada assuming her place as one of the world’s leading democracies.

We will continue to vigorously uphold these values, the cornerstones of our nation.



Working for a Better Canada

Good policy doesn’t just happen; it requires good ideas, hard work, and being in the right place at the right time. In other words, it requires MLI. We pride ourselves on independence, and accept no funding from the government for our research. If you value our work and if you believe in the possibility of a better Canada, consider making a tax-deductible donation. The Macdonald-Laurier Institute is a registered charity.

Our Issues

The Institute undertakes an impressive programme of thought leadership on public policy. Some of the issues we have tackled recently include:

- Getting the most out of our petroleum resources;
- Ensuring students have the skills employers need;
- Aboriginal people and the management of our natural resources;
- Controlling government debt at all levels;
- The vulnerability of Canada’s critical infrastructure;
- Ottawa’s regulation of foreign investment; and
- How to fix Canadian health care.

CELEBRATING



MLI

5 Years of True North in Canadian Public Policy

CONTACT US: Macdonald-Laurier Institute
8 York Street, Suite 200
Ottawa, Ontario, Canada K1N 5S6

TELEPHONE: (613) 482-8327

WEBSITE: www.MacdonaldLaurier.ca

**CONNECT
WITH US:**



Scan this QR code to
get your copy of our
iphone app or to visit
our mobile website



@MLInstitute



[www.facebook.com/
MacdonaldLaurierInstitute](http://www.facebook.com/MacdonaldLaurierInstitute)



[www.youtube.com/
MLInstitute](http://www.youtube.com/MLInstitute)

What people are saying about the Macdonald- Laurier Institute

In five short years, the institute has established itself as a steady source of high-quality research and thoughtful policy analysis here in our nation's capital. Inspired by Canada's deep-rooted intellectual tradition of ordered liberty – as exemplified by Macdonald and Laurier – the institute is making unique contributions to federal public policy and discourse. Please accept my best wishes for a memorable anniversary celebration and continued success.

THE RT. HON. STEPHEN HARPER

The Macdonald-Laurier Institute is an important source of fact and opinion for so many, including me. Everything they tackle is accomplished in great depth and furthers the public policy debate in Canada. Happy Anniversary, this is but the beginning.

THE RIGHT HONOURABLE PAUL MARTIN

In its mere five years of existence, the Macdonald-Laurier Institute, under the erudite Brian Lee Crowley's vibrant leadership, has, through its various publications and public events, forged a reputation for brilliance and originality in areas of vital concern to Canadians: from all aspects of the economy to health care reform, aboriginal affairs, justice, and national security.

BARBARA KAY, NATIONAL POST COLUMNIST

Intelligent and informed debate contributes to a stronger, healthier and more competitive Canadian society. In five short years the Macdonald-Laurier Institute has emerged as a significant and respected voice in the shaping of public policy. On a wide range of issues important to our country's future, Brian Lee Crowley and his team are making a difference.

JOHN MANLEY, CEO COUNCIL