

THE OBAMA ERA BEGINS

Now the hard part: waiting for U.S. hints



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The world – including Canada, of course – waits on Barack Obama.

As a courtesy and perhaps something more, the new President has signalled that he will visit Canada first among overseas countries. But Canada will have much more to ask of him than he of Canada.

It is startling, really, how much we in Canada are waiting for him, and how much we are dependent on his decisions. Our dependence, in fact, is enormous, and our margin for manoeuvring on key files is small, and made smaller by our own timidity.

On the great issue of climate change, we have essentially ceded control of our policy, or at least the most important elements of it, to the Obama administration. Canada is incoherent internally on this file. Yawning gaps exist among the provinces, and Stephen Harper's government is not even trying to bring Ottawa and the provinces together.

Instead, the Harper government is signalling it will try to join whatever cap-and-trade scheme the Obama administration develops and whatever vehicle emission standards it imposes on the auto sector. This wait-for-Obama approach will force coherence within Canada. It might also be useful for Canada and the U.S. (and Europe) to have a common climate-change position.

Canada could have at least tried to do something itself, but that timidity and internal incoherence blocked a cap-and-trade market and tougher vehicle emission standards. So we are essentially waiting for Mr. Obama to tell us what we can do, although the Harper government apparently does intend to offer the new President some ideas about North American co-operation.

The Canadian dependence has been camouflaged for public purposes by what is called an “energy and climate change” pact that the Harper government will propose to the Americans. Although details are scanty, the pact is really about trying to protect Alberta's tar sands from any U.S. environmental punishment.

The notion that Canada is offering itself up as a “secure and stable” supplier of energy isn't an offer at all, because it's

already a fact.

The Americans would not be getting anything they do not already have, whereas Canada is looking for something it does not possess by way of assurances for the tar sands.

In Mr. Obama's inaugural address, he spoke of the need to get the U.S. economy moving again. His \$800-billion stimulus (sorry, “recovery”) package will go speedily through Congress. What it does for the U.S. economy, if anything, will have more impact on the Canadian economy than anything the Harper government proposes in its budget next week.

The same applies, broadly speaking, for the auto industry. Canada had to wait to see what was developing in the United States to assist the industry there, then unfolded a package here that is still being negotiated and that increasingly looks in both countries like a bridge loan to an orderly bankruptcy than a revival of General Motors and Chrysler.

It would be greatly tempting, and entirely in keeping with the deeply parochial nature of the Harper government, to prepare a list of bilateral economic issues to discuss with the new President. Foreign Affairs Minister Lawrence Cannon epitomized that attitude when he said Sunday that we need to talk about “job creation, fighting protectionism and the energy and environment ... as well as the borders.”

We're not talking about the governor of Illinois here, but the president of the United States. Sure, Mr. Obama is preoccupied with domestic issues; and, yes, Canada is his country's largest trading partner and a big supplier of energy. Neither of those essentials will change.

But he's also preoccupied with the Middle East, Iran, China, climate change, developments in Cuba, nuclear proliferation, Pakistan. Do we have anything to offer him, let alone say to his administration, on any of these and other major international issues? If so, it's hard to imagine what. For now, Canada will fast develop a reputation in his administration as the guest always placed at the far end of the table.

Canada could talk, of course, about Afghanistan, to which Mr. Obama will deploy additional U.S. troops and will ask NATO allies for more help. But, of course, our Parliament has already decided – subject to an unlikely change of mind – that Canadian troops are leaving Kandahar in 2011. We didn't wait for Mr. Obama on that one.



The Obama stimulus package may do more for Canada's economy than anything the Harper government proposes. NYT



ANTHONY JENKINS
THE GLOBE AND MAIL

What he means for us

Will Canada be ready when Washington changes course?

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Expectations for the Obama presidency are stratospheric, and the world will scrutinize the new President's first weeks in office. But no one needs to do so more than Canadians. When the winds of change blow in the U.S., the impact on Canada can be greater than on any other country.

The extensiveness of our common border, the massive size of our trade, the integrated nature of our energy connections, and our shared ecology – not to speak of the countless family ties and friendships – render the Canada-U.S. relationship of unique importance to both partners.

The degree of interdependence cannot be overstated. As a principal adviser to Barack Obama said in Toronto last week, the decision to make his first presidential trip to Canada was not just a matter of routine. The reality is that no country is more important to the United States than Canada.

So, what are the presidential initiatives our policy-makers should be anticipating as the Obama administration breaks out of the starting gate?

First, our leaders should prepare for the size and direction of the stimulus package, which, at \$825-billion, is estimated to represent 3 per cent of U.S. GDP. Infusion of vast amounts of federal funds into the marketplace will be accompanied by decisions favouring selected sectors (such as alternative energy sources) and will seek to impose certain conditions (such as automotive salary caps). The implications for Canada are obvious. Stricter limits on auto emissions will entail Canadian equivalencies; restrictions on auto-sector remuneration will put downward pressure on Canadian salaries. If the administration invests in reforming health care, the comparative advantage to Canadian manufacturing afforded by the Canada Health Act could erode.

Canadian policy-makers must work quickly and co-op-

eratively with their U.S. counterparts to ensure that Canada is not sideswiped by the new massive stimulus proposals. Vigilance will be necessary to ensure that “Buy America” clauses are not surreptitiously inserted by protectionist-minded legislators. We must be ready to push back vigorously if an activist Congress legislates exclusionary product and food-safety regulations.

If the past is a guide, Canadians can expect Congress to cede to protectionist pressures. While it now seems unlikely that the Obama administration will seek to reopen NAFTA, aggressive trade action by Congress in pursuing punitive measures against perceived Canadian subsidies and dumping practices could constitute serious threats to our economic interest. (The recent B.C. decision to lower stumpage fees will soon draw fire from Oregon and Montana.)

A related area for monitoring will be the administration's approach to managing our common border. The question for Canadians is clear: Can a better balance be achieved between effective security required to protect our citizens from terrorist or criminal actions and the need to facilitate the trade flows critical to our countries' competitiveness in the global marketplace?

It is encouraging that there was little mention of border issues during the presidential campaign. This suggests that Americans may be recovering from the trauma of the immediate post-9/11 period. The new Secretary of Homeland Security, Janet Napolitano, has made a welcome distinction between northern and southern borders, acknowledging that different measures may be required to deal with each.

This having been said, the border is becoming an increasingly serious obstacle to the free flow of commerce and people. Many of the benefits of the Smart Border Accord of 2001 have been rolled back as Congress accepted such restrictive measures as passport requirements at Canada-U.S. land borders, 100-per-cent screening by 2011 of containers entering the U.S. (despite prior inspection at Canadian ports

of entry) and the Secure Fence Act replicating some of the tighter measures characterizing the U.S.-Mexican border.

Modernizing our borders should stand atop the agenda for Mr. Obama's visit to Ottawa. It is in both our interests to prevent our border from turning into a wall. As with the Smart Border Accord, two senior personal representatives might be mandated to submit recommendations for improving border infrastructure, clearance procedures and advance technologies. They should also examine how we might move toward establishing a common security perimeter. And they could call for a Permanent Joint Border Commission headed by cabinet-level officials to jointly manage the border.

These ambitious projects will require the exercise of political will of both of the President and the Prime Minister. The earlier their engagement, the greater the chance of success.

Signalling the scope of changes to come, Mr. Obama's chief of staff, Rahm Emanuel, has noted that “no good crisis should go to waste.” Departing from the Reagan doctrine that “government is part of the problem, rather than part of the solution,” the new President will use the power of public financing to radically reshape U.S. public policy, likely bringing it closer to what Canadians have been accustomed to over the years.

But this may well be a mixed blessing, as expenditures to support domestic industry, measures to tighten environmental standards, rules that could prejudice our energy exports such as oil sands, and regulations to protect manufacturers and consumers create challenges for the 80 per cent of all Canadian exports that end up in the U.S.

Nevertheless, creative thinking rooted in the experiences of our own traditions, as well as creative diplomacy with the new administration, will help ensure that we can adapt to and benefit from the momentous changes expected to come out of Washington.

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It's time to e-consult our citizens

JOSEPH PETERS

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Barack Obama is enjoying his honeymoon with the U.S. electorate – the world, really – and for good reason. He is, by all accounts, an inspiring, dynamic, engaged and responsive leader. This is markedly different from how we Canadians view our own political leadership.

While there are myriad reasons for Mr. Obama's success, his use of technology to connect with Americans has set a new standard. I hope our political and public service elites can extract a lesson or two to break out of their risk-averse and cynical approach to engaging Canadians.

What have we seen since Parliament was prorogued? A lot of consultations. Some have been pure public relations exercises, but others have had more meaning and substance. Finance Minister Jim Flaherty has racked up frequent-flyer points talking (and maybe listening) to anyone he can. But why does it have to be this way? Why the continued emphasis on consulting elites?

Democracy requires ongoing relationships with Canadians between elections. Our democratic deficit is growing like record U.S. debt levels. Low voter turnouts, eroding trust for elected officials and dismal civic literacy are all symptomatic of a democracy in need of healing. This democratic deficit also encompasses the gap between public desires and decisions that are made.

Stephen Coleman, an e-democracy guru in Britain, often soothes elected officials by reassuring them that most citizens don't want to govern, they just want to be heard. Research shows that citizens feel there is a gap between their desire to participate in consultations and the opportunities they are afforded.

More than two-thirds of Canadians, and nearly all youth, are online, and there are more than 10 million active Canadian Facebook accounts. Why are our governments and politicians so reluctant to exploit the power of the Internet to engage Canadians on serious public issues? Can it solely be risk-aversion? Do Canadian politicians even know what Facebook is? They may know how many Facebook backers they have, but they often seem to have negative views about its utility. Some, for example, see it as a socially destructive force that might lead to the death of federal copyright legislation or new restrictions on young drivers in Ontario.

Rather than shoot the medium, our leaders should think about how legislation is being formulated. Where was input from young drivers in Ontario before the legislation was introduced? Clearly not in the hands or minds of those drafting the legislation. If Canadians were able to contribute more frequently to the development of public policy on issues about which they care deeply, would things change? Could government be more relevant and responsive?

If the Internet is too risky, let's think about some calculated risk-taking. Consider the change.gov site that the Obama transition team built. The “open for questions” component is a fantastic example of large-scale public participation online. More than 100,000 people have contributed 75,000 questions. The Obama transition team responds to popular questions presented without dumbing anything down. Why couldn't we have done something like this for our pre-budget consultations?

What about breaking the mould and, instead of waiting for Canadians to come to politicians and bureaucrats, they went to where the people are? What about starting a dialogue on Facebook on national issues such as Afghanistan, or how to use deficits to address urgent social, economic and environmental needs?

Facebook is not the only “social media” tool being used by Canadians of all ages and backgrounds. Building a relationship doesn't happen in a 36-day election campaign. Democracy needs healing, and the prescription must include technology. And that technology can help our leaders connect with Canadians and help resuscitate democracy between elections.

INAUGURAL RHETORIC

A conservative justification, a radical transformation

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Barack Obama spoke well yesterday – and as was appropriate, he did it his way. It might seem odd that a speech could be both so ambiguous and so inspiring, until you reflect that this has been his secret all along. He's the sensitive new-age guy with both pecs and a spine of steel. For the good of America and the world, it should only prove so.

Yesterday was partly about the historic occasion, of course. The power of the inauguration of the first black American president, even if he was not the descendant of slaves, inevitably overshadowed all else. No well-wisher of America could fail to be moved by this moment, so long in coming and yet so much earlier than most ex-

pected. It fell to Mr. Obama to find a speech that fit the occasion without being wholly swallowed up by it. He did so.

Forget about comparisons with Abraham Lincoln or Martin Luther King. This speech was vintage Barack Obama. The roots of his success lie not on the south side of Chicago, but in lower Manhattan. Since Sept. 11, 2001, Americans have never felt safe or strong, nor been able to grasp America's proper place in the world or the status of its ideals, now so obviously hated by so many.

George W. Bush botched this formidable challenge. Fearing to ask too much of Americans, he asked too little. Compelled to simultaneously fund an unpopular war, the exploding costs of social programs and a tax cut, he borrowed from America's Chinese rival. By paying frequent homage to the hardships of the troops while urging other Americans to shop, he forever called attention to the glaring policy disconnect. Nor did he satisfy Americans that he was reconciling the exigencies of the

“war on terror” with fidelity to the rule of law. By the time the financial meltdown struck, he had long been a lame-duck president.

Mr. Bush thus created a vacuum at the top, which has now been filled by Mr. Obama. The “audacity of hope” may sound either empty or wimpy until you recognize that the hope in question was for strong leadership. Mr. Bush failed to provide it, and John McCain, hampered by age and association with Mr. Bush, wilted in the glare of the campaign. Only time will tell whether Mr. Obama will provide it, but that was the premise of his election and the burden of his inaugural. Strength abroad, prosperity and competent management at home, a renewal of the American spirit – you wouldn't entrust this tall order to Nancy Pelosi or Harry Reid, but Mr. Obama has persuaded Americans to entrust it to him. The inaugural sought to vindicate that trust.

Consider how it began and how it ended. It began with a pointed identification of the

terrorist threat as the greatest challenge confronting America; only afterward did Mr. Obama proceed to the economic crisis. It finished with a quotation – not from Lincoln, not from Dr. King, not from Franklin D. Roosevelt, but from George Washington, whom Mr. Obama described as the father of his country. Yes, the same Washington who in one current American textbook receives only a single mention, and that for being a slaveholder.

Citing the crisis at Valley Forge as emblematic of the present situation, Mr. Obama merged the economic turmoil, the terrorist threat and the environmental crisis in a contemporary version of William James's “The Moral Equivalent of War.” In the same vein, Mr. Obama likened the sacrifices of the white workers and black slaves who built America to those of the soldiers who de-

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will return

fended it. By quoting and then repeating Washington's remark that only hope and virtue could see America through its crisis, he stressed the moral tone he wished to establish: service and sacrifice.

Mr. Obama can be politically incorrect; it may be his finest quality. “We will not apologize for our way of life, nor will we waver in its defence,” he said – nor indulge foreign whiners “who blame their societies' ills on the West.” Mr. Bush couldn't get away with saying such things.

What does it all mean? That Mr. Obama has indeed seized the mantle of Lincoln in defending America without qualification because he identifies it with its highest ideals and greatest accomplishments, but demands of the citizens that they prove themselves worthy of these. He thus offers a “conservative” justification for what may or may not prove an attempted radical transformation of American society.

Whatever else you may say of him, he keeps you on the edge of your chair.