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Discussion

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DISCUSSION AFTER THE SPEECHES OF GILES GHERSON AND HOWARD SCHNEIDER

QUESTION, PROFESSOR KING: I have a question for Howard. You talked about the lack of a cultural identity in Canada. Giles also talked about the fact that he doubts that Canada will be a political entity of the future. What do you think, Howard? What political implications does this have in terms of the future? In other words, you said what Canada is not. What are the consequences of it?

ANSWER, MR. SCHNEIDER: I guess there are two consequences. One is that the post-modern state Giles describes would exist in some way, shape, or form, and some piece of it, some collection of it, would be called Canada. It would have a set of institutions that make choices about how to raise tax money and how to spend it, how to provide health care, et cetera, for the people. Understand that you cannot expect to have a culture that is going to contribute to world culture in ways that would satisfy the yearnings of a lot of my friends in Ontario.

So, it is those two things. To my mind, if you take Quebec out of the whole thing in the most dramatic and the most disruptive way possible, then something will re-emerge. It will have different politics. It will have a different structure, but it will still be called Canada, and some sense of what is there today would remain, I think.

QUESTION, PROFESSOR KING: Do you have a comment on that, Giles?

ANSWER, MR. GHERSON: As I said, I was trying to be a little provocative. Howard is right. Obviously, that is true of any political unit. You can find any piece of geography, and there will be political administration for it. And if it is a democracy, people will feed into that and have some kind of semblance of government that will do their bidding. I guess it comes down to, though, a question of ideals and some revision.

Canada has, because of its ability to pull itself together, to pull the country together, historically had a strong central government. I do not say that as a great friend of government, although it may sound like that in my remarks, but that is an historic fact and the government has been able to do certain things.

I tend to think in economic terms, and one of the benefits was a very strong economy that provided a lot of prosperity. And the biggest concern I have about the future of Canada is that, as it sort of flies apart through greater regionalization and endures the southern pull of the United States, its econ-

omy will not be strong enough to really hold a lot of people there. We are already seeing a significant brain drain, and then you really have got the remains of a country as opposed to something more viable.

QUESTION, MR. SCHNEIDER: At what point do market dynamics start working the other way, though? You know, when the cost of labor or the cost of capital becomes such that people start investing north of border because they know they can get a better deal on their labor contract or whatever?

ANSWER, MR. GHERSON: That would be ideal. What you are seeing right now is that corporate profits are nearly as high in Canada as they are in the United States. You have significant problems in terms of productivity. I think that productivity is the real basis on which you will be able to attract investment.

Nobody seems clear as to specifically why productivity levels have been lagging behind the United States for about fifteen years now. Notwithstanding a free trade agreement, everybody assumed that free trade was going to actually increase, and was in fact going to be a solution to Canada's productivity problem by equalizing it across the border. It just has not happened, and so there are clearly some dysfunctions that are taking place that are not really understood. But the facts are pretty clear, and I think that is a cause for concern, when you see a standard of living gap that has now grown to thirty percent, it is really unsustainable across the kind of open border that we have.

COMMENT, PROFESSOR KING: I am comforted by the fact that Canada has taken some political initiatives which have been a contribution to world peace, such as the Limelight Conventions, the push for the International Criminal Court, and other areas where the United States has not been the front runner. So, I think it is very fortunate that we have this important political neighbor above us.

COMMENT, MR. WOODS: I have a few comments. I have had the benefit of representing Canada abroad, and when you get to represent your country abroad, you get to see your country from a different perspective, and you get to feel a little differently about it. But I would respectfully suggest that in looking at Canada from the perspective of an outsider, one should realize that Canadians, as self-defacing as we are, are not that easy to get to know, as was probably the case with the United States.

You cannot really interpret Canada's past or its future based on the writings of an ivory tower philosopher like George Grant. I think he died just as a new kind of Canadian nationalism was being born.

I would suggest that if you are trying to decide what a Canadian is or what Canadian core values are, that you have to take a little bit different

look. You cannot look at what we write, but look at things such as our art; look at the geography; look at the small towns; look at the roots.

Canada is not just 1867. Canada is about survival. We have survived our colonial masters. We have survived Lord Durham. We have survived a whole series of politicians. We have survived George Grant, and I think we will survive the next iteration of laments about Canada. I think, ultimately, the thing that is hard for outsiders to learn about Canada is that we have the Canadian dream, we do not just talk about it. You can learn about the Canadian dream if you watch *The Road to Avonlea*.¹ You can learn about the Canadian dream if you understand that, on weekends in July and August, we head up to cottage country, even if we do not have a cottage, because we have a friend or an uncle or something like that who is going to take us in and we will spend our time where we are most comfortable, by ourselves and with nature.

And this dream is a small dream compared to the American dream. It is a dream about having a roof over your head, some bread to put on the table, and your family with you. I know that sounds trite and simplistic, but if you understand that, I think you will understand that Canada will be here one hundred years from now in some shape or form, and that people who do not embrace this small dream, the new Canadians and the old Canadians, they will go for the big dream in Hollywood, and the people that want to follow that small dream, which is an easier dream to realize, but a less easy one to romanticize, will still be there. I would suggest before you go to Egypt, take another tour, go to Moose Jaw, go to Kitimat, go to Sciamous, and just consider that. That is the core value that you have to look at.

COMMENT, MR. SCHNEIDER: I have been to all of those places.

QUESTION, MS. COFFIELD: This is a question for Giles. I have, over the last several years, observed this existential angst you speak of in the relationship of the Canadian officials to the United States, when it involves economic disputes or the ability to achieve certain economic results. Frequently, countries not as important to the United States, and at a further distance, are able to achieve more because their approach to the United States in terms of economic relations is more self-assured. It is less tied up with fears of consequences beyond the economics that frequently shape what I as an American feel is not as aggressive a stance with respect to their economic interests. I know that you see both sides of the border. I wonder if you could comment on my comment, if you think that that is valid and tell us if there is something that you would advise in order for the Canadian government to achieve

¹ *The Road to Avonlea* (Canadian television broadcast, Sullivan Entertainment, Inc., 1990-1996).

the kind of self confidence they need to achieve their goals with the United States in terms of economic relations.

COMMENT, PROFESSOR KING: That is a good question, because throughout our conference we have always had problems raised, now we have the people with the answers here. Do you want to comment on that?

COMMENT, MR. GHERSON: Do not count on the answer. I understand exactly what you are saying.

When I was in Washington for a number of years following trade discussions, my perception was similar to that. I cannot help but think it is a function of a country that has eighty percent of its trade now wrapped up in the United States.

There is so much at stake. It is extremely difficult to find any issue that is not going to be linked to another issue. That is the perception anyway. There is a degree of caution in terms of wanting to be overly forceful on one issue to find that it comes back to haunt you somewhere else under the Free Trade Agreement. Because Canada/U.S. trade has become such a large share of Canadian trade, the Canadian government has become even more concerned about wanting to invite retaliation of any kind.

I think it also comes back to the issue of the Canadian government wanting to assert a strong Canadian economy. I think one of the things that I am lamenting, to use George Grant's words, is the fact that right now, the Canadian government is really in a state of drift. It does not really seem to want to address the issues that I raised; the growing standard of living problem, and the national identity, which should be a source of pride to all Canadians, but in fact now, the people do not really see a Canadian identity. As much as we heard about the cottage country charm, I think that is very much the way many Canadians think of their country. Frankly, when you look at Vancouver, Toronto, Montreal, Ottawa, and Hamilton, the big cities in Canada, where, let's face it, Canada is more urbanized than the United States. We have a growing wave of immigrants, which I fully support, but we have not done a very good job at settling them. We have got a problem of identity because all kinds of people are coming in. We are not really sharing much of the Canadian experience with them nor are we helping them to understand the Canadian experience. So, there is a much more disparate kind of culture than you otherwise would have.

And then the third problem is the question of having national goals. When you have got the kind of parliament that we have got, heavily regionalized now, and supporting an enormous thrust towards decentralization, it is very hard to see this kind of welding together of national goals. When you have those problems, it is really not surprising that you will find a Canadian government that is really not all that assertive.

QUESTION, MR. EASTWOOD: Some years ago, an Australian lawyer once told me that Australians talk more like the British, but act more like Americans, and that Canadians talk more like the Americans, but act more like the British. We all struggle in a sense out of our colonial past from a British background. And I was wondering to what extent, Mr. Schneider, when you look at Canada, do you see what the United States might have been, but for the American revolution, considering the departure points, where we have ended up, and from where we have all started? And, Mr. Gherson, when you look at America, to what extent do you see what Canada might have been except for the grace of God? We started out with similar departure points with a British background. What relationship do you see between where we departed, where we split off from the same origins, and where we are headed? Are we going to draw back together at some point, or are we going to stay as somewhat cousins?

ANSWER, MR. SCHNEIDER: That is a tough question to answer. If the United States had not had a revolution, what would this continent look like today? Is your question? I have no idea.

QUESTION, MR. EASTWOOD: Do you see us pulling together?

QUESTION, MR. SCHNEIDER: On what front; on the cultural front, the economic front? On what front?

COMMENT, MR. EASTWOOD: They are interrelated to a large extent.

COMMENT, MR. SCHNEIDER: Are they? I am not so sure.

COMMENT, MR. EASTWOOD: There is money in culture.

ANSWER, MR. SCHNEIDER: You are looking at it like Shirley Cofield. I am trying to look at it on a different level. I am trying to ask what do you feel in your bones when you wake up and look in the mirror in the morning? That is something different. The modification of culture is one thing. The feeling of celebrating yourself is another. And I think that that is where these two countries do part ways dramatically.

COMMENT, MR. KIRBY: I have a couple of observations. Gentlemen, you did not discuss in your overview the dramatic changes on a positive side that are going on in Canada. In my view, Canada has dramatically changed in the last ten years or so. It was a resource-based economy. It is now a major manufacturing center.

The New York Times and *The Economist* have given very good coverage to the other Silicon Valley in Ontario. As an American who lived and worked in Canada for over three years, I do not feel the angst about which you talk. I meet Canadians who are proud to be Canadians and who assert themselves. Giles, you said for the last ten years Canada has been in a deficit on trade with the United States. I think you are wrong on that. You used the word deficit.

COMMENT, MR. GHERSON: I apologize.

QUESTION, MR. KIRBY: It is not in deficit; it is in surplus, and good for you. But I see Canadians around the world who are well-respected. They make a positive contribution in the OECD and in the OAS and around the world. I am afraid I am little less disconsolate about the Canadians. I think they have a national culture of which they are proud. Just because they are not exactly like us, so what? Neither are the French like us or neither are the Germans like us, but I think there are a lot of positive things in Canada. I think you ought to emphasize a little more of the positive. Do you have any comments on that?

ANSWER, MR. GHERSON: I suppose I can answer that, yes, I did try to mention a couple of positive things. Obviously the federal government has done a terrific job of getting its deficit, which was a huge, huge problem, turned around, and very quickly. It was one of the fastest turn-arounds in the western world. It has left a legacy of a smaller government which has problems in the Canadian context that it would not otherwise have, say, in the American context, to which I would like to draw attention. Also, the economy is doing extremely well right now in a nominal sense, I think. I meant to say trade surplus. There has been a huge trade surplus. I was talking about, as a result of the decline in the Canadian dollar, you know, when you have a seventy-cent Canadian dollar, you are taking a pretty big haircut on everything you sell south of the border, even if you are selling a lot of things.

It also has a significant and not well-redistributed effect when your strong firms are basically taking seventy cents on the dollar so that your weak firms can sell south of the border.

COMMENT, MR. KIRBY: We do pick up your gaps.

COMMENT, MR. GHERSON: That is good, but I think you saw the point that I was trying to make. I think you will acknowledge that the reason there is a significant Canadian trade surplus is because of the lower Canadian dollar.

QUESTION, PROFESSOR KING: Howard, do you want to comment?

ANSWER, MR. SCHNEIDER: No.

QUESTION, MR. MARTIN: In this whole discussion we have had different views of Canadian sovereignty going forward into the 21st century, but I would like to ask a question about American sovereignty. Is the gap between the amount of sovereignty that Canada has vis-à-vis the United States, and the amount of sovereignty that the United States is likely to have vis-à-vis the planet as a whole, likely to get larger or smaller? Certainly, as a trade official in Canada, we have been frustrated by the inability of the U.S. administration to get Fast Track authority to negotiate trade agreements, partly because there is a big political issue in the United States about losing sover-

eignty. I also have seen some articles in which it has been suggested that it will become a big social issue in the United States, as the majority language here becomes Spanish; whether the U.S. identity is somehow changing.

So, I just wonder if sovereignty for nation-states, and we have talked about this quite a bit over the course of this conference, is being eroded by the globalization of the world? Is, in fact, Canadian sovereignty vis-à-vis the United States really changing that much in relative terms?

ANSWER, MR. SCHNEIDER: Well, again, that is a very sort of tarot-reading kind of question, and I will say two things. My general premise here is not that nations have always acted under constraints, but the mix of those constraints changes. The mix of opportunities presented change. I do not think on the whole, over time, that corporations may become more powerful as capital becomes more mobile. How that affects any different nation, who knows? When do you foresee the majority of the language in the United States being Spanish, what century?

COMMENT, MR. MARTIN: I read an article which said in the year 2010.

ANSWER, MR. SCHNEIDER: I think you are way off. The Black population in the United States is about fifteen percent. The total non-white population in the United States is about twenty-five percent, and the Hispanic population is a subset of that.

COMMENT, MR. WENDLANDT: I am getting into a debate we should not get into, but it is a passionate one. I am a native Canadian. From my observation, if you were to ask any Canadian what they agree on, they probably would say to you, we do not intend to become American. And at the same time you might ask, what does that mean? Then they have difficulty going any further with that phrase. But therein lies a significant statement. It seems to me that Canadians have decided on a more or less coast-to-coast basis, whatever we are and whatever we may become, we do not intend to become American. Therefore, if you look at our histories, they are very different. Your history is a revolutionary one. When you think about the Americans having founded a nation out of a revolution, the nation spends a considerable amount of time today trying to prevent a revolution anywhere else.

Canada, not having been born out of that, is really an equation of the spirit of a rational mind, and it comes to a conclusion that it is totally an irrational country. Therefore, the struggle of Canada to continue to exist is challenged today for a reason that I think was interesting, by the professor from France, who made the observation that in the European economic community today you have the nation-state disappearing and regional issues rising.

Therefore, I think it is fair to say that, as Canadians look at their federal government, and I agree with the observation that the federal govern-

ment becomes ever more irrelevant, the reason why it becomes more or less irrelevant is because the ability of companies limits us to transact in other countries without reference to their national state.

And therefore, you would find in Canada more regionalism. I think there will be a time to refocus and recast the Canadian federation, but I do think that there is this fundamental consensus that wherever we may be at the end of the day, we will not be American.

ANSWER, MR. SCHNEIDER: I think you are speaking for every part of Canada except Quebec.

QUESTION, MR. WENDLANDT: Quebec?

ANSWER, MR. SCHNEIDER: No, no, no, that is where the definition stops. It does not stop there in Quebec. It goes on to something more.

COMMENT, MR. WENDLANDT: Let me answer that. We had a debate two days ago on the issue of culture. Then there was a lovely debate on the difference between Canadian and American economic culture. The thing that I felt missing from that debate was precisely the linguistic dimension of culture. It was not addressed.

I think there is no use talking about culture without talking about language. If you do not recognize the significance of language, you will not understand Quebec's nationalism as being fundamentally an issue of survival and, thereby, an issue of culture. And that is in many ways Canada's cross to bear; to try to accommodate both very pleasant linguistic identities. A Quebecker, by the way, is the first person to recognize that it is a residential culture. It is not an international culture. If you press it any further, you will find Quebec films shown in France with subtitles. You will find the Quebecker being the first one to say that they have very little in common with their French cousin.

If you ask any Quebecker, would you, as a Quebecker, feel any more comfortable in that melting pot called America? The Quebecker would say no. He would perhaps look to the state of Maine, but look no further. So ultimately, if you were to press the Quebecker far enough, he would come to the same conclusion as he did at the time of the wars. He would say that his life is better in Canada than it would be in America.

I might add, it is extraordinary that the United States, with all of its extraordinary presence of culture and language, would find it necessary for some people to demand that we have a law that makes English the prominent language. And by the way, the irony of it all is that some people would cite Quebec as being the theme to be avoided. And Canada, of course, is the only country that I know of that has tried to accommodate these two very different cultures. It is to our credit, I would say.

COMMENT, MR. GRENIER: I want to comment on the last comment, simply to say that according to the best estimates, there are between five and seven million French-Canadian people in the United States, so there are just as many people of French-Canadian origin in the United States as there are in Canada. That choice was made in the latter part of the 19th century and the earlier part of the 20th century, so I am not so sure that we feel as Canadian as you imply. Of course, most of these people in the United States speak English; they no longer speak French.

COMMENT, MR. GHERSON: I was going to add that, if you look at the recent survey data, you will see that Canadians increasingly are saying they feel more American, and part of that is due to the urbanization of Canada. If you live in Vancouver or Toronto, increasingly your life is not all that different from that of an American; you are watching American television, American films, and so on. So data shows that Canadians feel more and more American. They do not necessarily like that, but they do.

QUESTION, MR. McILROY: I was intrigued by Howard's comments regarding George Grant. And I think it is fair to say that everything in North America does flow north-south. The rivers flow north-south. The mountains flow north-south, and economics flows north-south. But we have developed an east-west flow through artificially built government institutions, such as a twenty-five percent tariff wall that we had up until very recently.

We built a railroad. We built cultural institutions such as the CBC. And we also had institutions that are unknown here in the United States, which are known as equalization payments, whereby a richer province pays out money to a poorer province to keep that province on side.

My question is both to Giles and to Howard. Now that all four of these artificially built pieces of glue that came out of Ottawa are no longer here or are no longer possible because the federal government is bankrupt, what is the glue that you see in the 21st century to keep the country together? I do not think that there is a natural glue. I think it has always been an artificial glue, and I do not see any glue on the horizon. I was wondering what you two gentlemen thought.

ANSWER, MR. SCHNEIDER: I think it depends on what part of Canada you are talking about. I think that there is a glue in Quebec. I am not sure there is a glue for the rest of the country, except that you have to weigh the practicalities of whether the area from British Columbia to Ontario works better together cohered in some way or not.

COMMENT, MR. McILROY: With respect to Carl's comment on the fact that there are a lot of Quebecois here in the United States, I think it is important to recognize the reason they are here. There was a massive economic depression at the end of the last century which caused these people to

leave, not because they wanted to leave, but because they had to seek jobs elsewhere. And, as Carl has mentioned, they lost their language and they lost their culture because they had to look for work. I do not think that is a glue, quite frankly, to keep our country together.

ANSWER, MR. SCHNEIDER: Well, depression is certainly not a glue. Depression is a disruptive event. What I am saying is that all things equal today, there is a reason for Quebec to remain intact. Whether it remains in Canada is another question. Whether it makes sense for Ontario to stay joined to British Columbia and to Newfoundland is a good question.

COMMENT, MR. GHERSON: Jim, I agree with you entirely. The whole point is that the glue is dried out. Basically the challenge for the next century is for Canadians to stop being complacent and to pull it together again and have a vision of a united country. It is fine to say that various regions have their own glue. What has defined Canada is the fact that it did include Quebec. It has allowed Quebec to prosper and flourish and has allowed a lot of other parts of the country to flourish, but that was the national dream.

And what has happened in the last twenty years has been the unraveling of that dream. I think we perceived it as closely as we ought to have perceived it. Going back to the reason why Quebeckers left, just as many other Canadians left Ontario, they left all across Canada at the end of the last century. We were a poor country. We became a rich country in this century, and what we risk losing is that wealth. That is why I put emphasis on the decline in the standard of living. If we allow the disparity to grow as it is now growing, notwithstanding the development of a high technology industry, but not enough to replace the natural resource wealth with the basis of our prosperity this century, we are going to be in trouble. We are going to go back to that period of the late 19th century where we lost all kinds of people.

QUESTION, PROFESSOR KING: Should this be part of the agenda of the press?

QUESTION, MR. McILROY: Howard, what is the glue that is it going to hold the United States together in the 21st century?

ANSWER, MR. SCHNEIDER: Probably our ICBMs.

QUESTION, MR. CHANCEY: Glyn Chancey. I spent the first seventeen years of my life in Newfoundland. I was born a Newfoundlander. My identity for that phase of my life was influenced very little by Canada, by the concept of Canada. The second ten years of my life was spent in Quebec, among the French-speaking majority. I felt very comfortable there. But I am a committed Canadian, and that commitment, I think, arises from the appeal, the success of several generations of Canadian politicians working together to create an appealing model of a nation, to perform I think well in the international stage, to perform well in terms of how they manage the country.

Giles has made reference to the decline in the relevance of the central government. I would suggest that if the central government is not able to re-establish its prominence as a leader and as a promoter of Canada, then I think Giles' angst is well-founded.

To what extent, and this a question to both of you, do you feel, from the point of view of the Canadian public service, which you to varying degrees have had exposure to, do you think that the political leaders are up to the task, if you agree that is a task at all?

ANSWER, MR. GHERSON: Well, I think it is a task. It is funny. I run a fairly large news service. We are based in Ottawa, and I cannot believe how little is going on. It is amazing, given the kinds of problems which you have identified, which you would have thought would be at least the basis of a pretty full government agenda.

We find nothing happening. The government is literally on a permanent holiday. Whether that is because these problems are so large that the government, which is conscious anyway, does not want to take ownership of problems they cannot really resolve, and are content to leave for another day, I do not know. But it is so striking to me to look back to 1988, which was the second Mulroney government. When it was re-elected, there was an enormous agenda; free trade, GSP, other tax reform, just piles of stuff going on. Today, nothing is going on.

COMMENT, MS. COFFIELD: I just felt I needed to comment on the issue of making English the official language of the United States. The implication is that it is English speakers who are pushing for that legislation. I think it is important that you should know that some of the strongest advocates of that law are in fact, Hispanics, and not English speakers. I think it is a bad idea, too, but you have to understand that, in the United States, it is very important for immigrants to have their children understand English, because it is part of the economic success that they will have in this country.

That defines the glue that will hold the United States together in the next century. You can all define culture anyway that you want. I have to say that my three children are all bilingual. I think that is important. But, I also think it is important that they actually *be* bilingual, not only that they speak a language other than English. So, in terms of the United States, the culture is a polyglot. The culture is, in fact, to live the American dream, to be able to raise your family and economically better your family. We are enriched by our immigrants because that is, in fact, what their goal is. You find your way into the United States in a very difficult situation sometimes if you are not strongly committed to that goal.

So I just wanted to dissuade anyone who thought the concept of the English language legislation was something that came primarily from strong

nationalists who speak English. In many respects, that is not where it is coming from.

COMMENT, MR TUTTLE: We like Canadians. We do not want to become Canadians, because we think it is a little too far out; it is a little too far out in the back. So whether it has to do with the weather, or whether it has to do with being that far north, this gentleman was talking about the location. I think that has a big impact on it.

COMMENT, PROFESSOR KING: I think so. I think that is maybe something upon which we can agree. Let us leave on a high note. I want to thank our panelists, Howard Schneider from *The Washington Post* and Giles Gherson from Southam News Services. As usual, there remain a lot of questions. We have fewer answers than questions.