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LOOKING AHEAD: COMMON INSTITUTIONS OR MUDDLING THROUGH?

T. Bradbrooke Smith*

This topic that Henry has presented me with makes for a pretty arduous task, but I do want to say that, while it is an arduous task this is a real privilege for me. It is a pleasure. By the time I am finished perhaps I will leave you with a few ideas.

We have had such a good conference. Henry organizes these marvelous conferences. I have been at quite a number of them, and they are always good. But Sunday morning is always a bit of a drag, Henry.

I did not prepare anything in advance because I wanted to listen to what went on at the conference. However I wanted to do a little thinking in advance, so I read the proceedings from the Canada-United States Law Journal of 1978, which was the first of these conferences. Guess what the title was? Canada-U.S. Relations: Cooperation and Dispute Settlement in the North American Context. Well, we are still there. In addition, many of the conferences that have been held here, if they did not have that as a topic, the subject came up time and again. There is not a lot new in the world. What goes around, comes around. And here we are again for the last two hours of CLE, on dispute settlement.

In 1978, Professor Myres McDougal said, “We should think about the problems of prevention and deterrence rather than attempting to settle a dispute once it has occurred.” And do you recall when we have heard that theme in the last couple of days? Professor Richard R. Baxter, for his part—he was obviously into metrification said, “A gram of prevention is worth a kilo of cure.” Remember that Shirley Coffield said, “Conflict avoidance is the goal.” So there is a theme that comes down to us, not from ancient history, but from recent history. One other theme that was mentioned by Professor Ronald St. J. Macdonald of Dalhousie: He invited those gathered, as I invite you today, to be imaginative in relation to dispute settlement. Do

* Smith bio.
1 Continuing Legal Education
2 Discussion, 1 CAN-U.S. L.J. 27, 32 (1978).
not get locked into where you are and into what you have. Think about the future. Think about what you can do to make things a bit better.4

When we muse about Canadian and U.S. attitudes I am reminded about the recent Microsoft decision by Judge Jackson. During the course of the proceedings, he came into court one morning. I guess he was frustrated, as a number of us frequently are. In addition, I think he was a little bit challenged by the computer technology. So, he came in one morning and started musing about the gender of computers. This was evidence of his frustration. He said that, in his estimation, women thought computers should be male. One, in order to get their attention, you have to turn them on. Two, they have a lot of data, but they are still clueless. Three, most of the time, they are the problem. Finally, as soon as you commit to one, you realize that, if you could have waited a little longer, you could have had a better model. To the contrary, men thought that computers should be female because, first of all, no one but the creator understands their internal logic. Two, the native language they use to communicate with other computers is incomprehensible to everyone else. Three, even your smallest mistakes are stored in long-term memory for long-term retrieval. And finally, as soon as you make a commitment to one, you find yourself spending one-half your paycheck on accessories.

What I want to say to you is simply this: Our societies in North America have developed within an established set of binding rules, our laws. Those rules do not attempt to regulate all of the facets of our life. They do, however, address the circumstance of conflict, of differences between citizens, and of the requirement of obedience to public laws. At their core is a framework for dispute resolution. So law, even though we may not have recourse to it, backstops our relations with one another and with the state. We may muddle through our difficulties, and indeed we often do with one another, and even with the state, and we may not necessarily have to invoke the law. But the law provides this context for dispute resolution. Accordingly, there exists ascertainable rules that can be called upon in appropriate circumstances. When we cannot resolve our difficulties, we have an institution—the courts, to apply those rules.

International law seeks to do much the same in a less precise and less all-inclusive way. But it is hobbled, as we all know, by the absence of effective, universal institutions, buttressed by concrete and immediately applicable sanctions. There are rules. They are frequently obeyed. They are frequently imposed. But it is not the general rule. So when we stand back and look at our ever-shrinking, ever-interdependent world and reflect on our mutual experience of Canada and the United States, we are driven to conclude that

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simply muddling through is not adequate. It is not a complete solution. We must continue to create institutions that will apply rules. We must make more rules, but we have to have the ability to see them applied and observed. That will not eliminate the structures and practices that are of an essentially diplomatic character. We need those. We need to muddle through much of this. But we must, in my respectful submission, be imaginative and start to create more institutions to apply clear, definite rules.

Many years ago I used to study history, and I have always found that it is useful as a lodestar. When you want to look at a current problem, history is not going to tell you what to do, but will give you some impressions and background. It gives you points of reference. We go back, in the common law tradition to 1066 with the Norman Conquest of Britain. I am not suggesting that is the only tradition here represented, and I am not suggesting it is the ideal system, but most of us have grown up in that system. As Professor Wigmore said, “The Normans had a zest for law.” I think we all might observe that that zest for law continues in Canada, and it continues, certainly, in the United States. What the Normans, the Angevins, and their successors did was to apply law in a much more organized fashion. They set up institutions. Their itinerant justices went around the country on a regular basis. Their central courts in Westminster applied universal law, statute law, and common law. You had a cadre of judges who developed with authority to hear and determine its disputes in accordance with rules of law. That is our tradition.

Of course, it used to be when the Normans invaded England, that the legal system depended on the number of people you could get on your side to give oaths that you were right, and on the other side to say that you were wrong. They had other physical means of determining disputes, such as trial by battle. That is war. We are still doing that in the international sphere from time to time. We have to get away from that, and we have done that in our Canada-U.S. relations. What I am suggesting to you this morning is, we can do a better job — not that we have done a bad job — but we can do a better job by being imaginative and by providing new institutions for the resolution of difficulties and the application of what we all know as the rule of law. When Bracton back in the 13th century, said, “The King is under no man but under God and the law,” I would like to think that, in our relations the one with the other, Canada and the United States are under no man but under the rule of law.5

5 Henry of Bracton, or Bratton, was an English judge during the thirteenth century. He wrote, along with F.W. Maitland, ON THE LAWS AND CUSTOMS OF ENGLAND. See Bracton: De Legibus Et Consuetudinibus Angliae, (visited July 27, 2000) <http://www.bracton.law.cornell.edu/bracton/Common/index.html>.
International law, unfortunately, as it has developed from the 17th century, had many very good rules, but their application was not regular and was not necessarily enforceable. We have seen the development in the last century of the International Court. We have a new International Criminal Court. In the last couple of days, we have heard about the WTO. All of that is a progressive development. But we do not have an effective world system. Between Canada and the United States, we do not have an overriding system that will ensure that our disputes are decided in accordance with law, at least those disputes which have at their root a legal issue.

The question that I am required to answer, the title that Henry has given me, is whether we proceed, I would say diplomatically, or whether we proceed legally to deal with the future problems that we may have. Of course, my answer is that we have to do both, and we have to be imaginative on both fronts. What we have to avoid, and we got a whiff of that last night, for those of you who were here, is what Oliver Wendell Holmes described as "the uplifted knife." We cannot discourse with one another; we cannot settle our problems when there is in the background the uplifted knife. Professor Baxter observed back in 1978 that Canada and the United States cannot trade with one another, invest in each other's territory, breathe the same air, use the same waters, fish and sail the same areas, act together in common defense, and share many of the same cultural influences without disagreeing on a great many questions.\(^6\) Again, we have had many examples in the last couple of days. I am not going to summarize any of that. You have heard all about it.

There are developments that I believe are significant: the NAFTA, Chapter 19, Chapter 20, and WTO. I think it unnecessary that we review those, but I want to underline that which was said by a number of people, namely, we should not make policy on the back of individual cases. That was the Ethyl example.\(^7\) That is no way to organize our joint dispute resolution system. Take the long view, for in a few individual cases you are going to lose, that happens. Every lawyer knows it happens. You know, if you win even one more case out of a whole bunch than you lose, you probably feel you have done all right, because we all lose some.

I think we would have to agree that there is a balance to be struck between muddling through and institutions. What I want to turn to now be those premises that lie at the work of the ABA-CBA Joint Working Group on Dispute Settlement, now joined by the Barra Mexicana. There were a number


of principles that we proceeded from that are relevant to the thesis that I am trying to defend this morning.

First, if there is concrete legal recourse in specific circumstances, then parties are able to ascertain their legal positions. That very fact injects reality into negotiations. It does not mean you are going to litigate, but it does mean, as we all know, that you are going to have a point of reference for your negotiation. Therefore, that is promotive of the settlement of disputes.

Second, it of course follows that, if you have a principle like that, you have to have some permanent third party mechanism to apply those rules in the event that you cannot ultimately agree.

Third, to emphasize that which I have said before, you have to have a legal issue, or at least there has to be a legal issue in the mix that you can look at, that you can isolate, and that you can deal with on a technical, legal basis. Therefore, if you have an institution, the substantive matters to be referred to that institution ought to be related to legal obligations, generally obligations undertaken in international agreements.

Fourth, the prospect of the isolation of legal issues, whether it be the whole dispute, or even part of a dispute helps you to put aside other issues. In other words, there is a tendency that, when you are negotiating something, if you do not have a frame of reference, other issues are hauled in. You know, we will give you this, but give us that over there, and maybe we can deal with it. What I am suggesting to you is that a fundamental principle ought to be, let us look, and let us determine the legal issue. What are its parameters? Do not inject other elements into that. That is to be avoided.

Finally, where possible, the legal issues involving, not the state, but essentially private parties, ought to be dealt with at the instance of those private parties. And, of course, we have the very good example in Chapter 19 of the NAFTA, despite its ‘quirkiness.’ It is not logical, but it works.

So we have those principles. There is another one to which Henry adverted. Our joint working group took one area, transboundary pollution, and we said those who are injured on the other side of the border ought to have all of the recourses of anyone in the jurisdiction where the pollution occurred; no more, no less. That principle, which has been put in the environmental side agreement, also forms the basis of local legislation. I know of about ten jurisdictions, three or four in Canada and half a dozen in the United States where they have uniform, transboundary, reciprocal access legislation. I have to say, however, that that has not been, at least in my experience, resorted to, but it is there. It is the kind of advance that I think we have to make in narrow areas.

Now to turn to what we have been doing for the last couple of days. I have to apologize. I cannot go around and look at all these magnificent
contributions and summarize them and put names on them. What I have tried
to do is simply wheedle out a dozen themes that I thought were of some
importance. They are not the only ones, but ones that I thought we might take
away – I certainly want to take something away from this meeting.

First – and this is not a theme, but I was at a dinner the other night, and
George Haynal of the Department of Foreign Affairs was talking about the
seamlessness of our border in terms of trade. But he also said, and I think this
is very important, the border also means something, even if it represents an
attitudinal divide. I think it is worthwhile just bearing that in mind.

The first thought I had is that we have a long history of muddling
through. That includes putting some of our problems on indefinite hold. And
we heard about that with some of our boundaries. If you do not have an
immediate problem like the Gulf of Maine, why get involved? Why try and
solve it? Even Softwood Lumber has been put on the shelf, at least for a
period of time. There is sometime utility in not addressing problems. I have
an old friend, Senator Eugene Forsey, who was a man of not only great
intellect, but a lot of common sense. He originally came from Newfoundland.
There is a lot of common sense in Newfoundland. He used to say, “Do not
trouble trouble unless trouble troubles you.” I think there is something in
that. I thought initially when we heard about boundary disputes that that was
relevant.

Second, we have made pretty good use of what I would call shock
absorbers in our management of differences. We throw fact-finding to
eminent people. We draw in the International Joint Commission. That
process gives breathing room. And I always like to think that sometimes if I
have a problem, if I wait long enough, maybe it will go away; maybe it will
change. Breathing room is no bad thing. It also gives the countries a common
basis, a common factual basis. I think that is important. Very frequently, that
kind of exercise throws up some tentative solutions, even though they are not
asked for. We have heard about this. We talked about the International Joint
Commission, and we have heard about other things. We heard yesterday
about cooperation in competition matters. Shock absorbers are important.

Third, many differences are essentially political, and they have got to be
settled at a political level. I say that with a small ‘p.’ The warp and woof of a
legal fabric is simply missing. I would be the last to advocate a third party
dispute settlement mechanism that involved reference of essentially political
questions. We heard a lot about softwood lumber. I venture to suggest,
without knowing anything about softwood lumber except what we heard
yesterday, that most of us would say that is largely a political issue; different

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8 In the Matter of Certain Softwood Lumber Products from Canada, ECC-94-1904-1-
USA; Memorandum Opinions and Order, 3 Aug. 1994.
politics on either side of the border, but it is largely a political issue. And third party disposition of an issue like that is probably not possible. It is only when you are in extremis in a situation like that that you might envisage it, and I have to, at this point, give my apologies to Bob Rae. I just do not think that is the kind of issue that you can resolve institutionally.

Fourth, there may be aspects that are strictly legal. Deal with those on a third party basis. But political problems are for muddling through. Now, there are many issues, of course, that are legal, and, as I have indicated, there are parts of issues that are legal. I mentioned a few minutes ago that the Chapter 19 issues are a very good example of hard legal issues that can be dealt with and are being dealt with. That is a rule based recourse, and it is resorted to without the intervention of governments. It works. It is been suggested that it needs a bit of tinkering, sure, but this formula works.

Fifth, we have also had a couple of examples of ad hoc third-party resolution. The Trail Smelter case was mentioned as bringing in outsiders.\(^9\) Davis Robinson noted that the Gulf of Maine case was one of the few cases where we brought in outsiders.\(^10\) But there was another case in which I was involved many years ago which I think illustrates the legal issue point, and that was the Gut Dam arbitration.\(^11\) The Gut Dam was a dam placed in the St. Laurence River to control the currents near the shipping channel on the north side of the river. It was anchored in Canada and on a United States island. There was an international agreement of sorts saying that Canada would compensate for any damages done. Back in 1952 and 1953, there were high waters, winds, and a whole conjuncture of circumstances, and a lot of people on the south shore of Lake Ontario had their beaches eroded, their docks destroyed, and they were somewhat distraught.

Eventually it was decided to throw it to a tribunal composed of a Canadian, an American, and a Dutchman, who was the chairman. The result of that arbitration hinged on a legal issue. What was Canada’s obligation? I think it was in an exchange of notes. Interestingly enough, Canada was hoist on its own petard because the then Department of External Affairs had, at the time of the injury, said that Canada would compensate anybody who was injured in the sense of the agreement. The tribunal determined that our obligation was not just to the owner of Les Galops Island, which we had argued it was, it was to anybody that might be within the contemplation of high water, as a result of the dam. So eventually we settled. That was a good example of a legal issue that merited the disposition by a tribunal.

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Sixth, we have had an avenue of resolution of trade disputes previously in the General Agreement on Tariffs and Trade (GATT), and now with the World Trade Organization (WTO). I would venture to suggest, however, that we need some experience. I would venture to suggest that it may be that our legal disputes are best determined by our own indigenous populations, i.e. U.S. and Canadian judges, lawyers, whoever. Those of you who have been involved in Chapter 19 panels know that those work pretty cohesively. They are not essentially a problem of Canadian or U.S. approaches to issues. We have the same basic legal approach. There are, of course, instances where you want to go abroad. We heard about the Gulf of Maine case. But that involved what I would call opaque concepts of general international law; where the border is and drawing lines. It was suggested many years ago about judgments going to the Privy Council in London, I do not know if it was by R.B. Bennett or another Canadian statesman who said, “These issues ought to be decided by men of the land.” I guess these days we would say persons of the land, but in any event, I think there is an element there that we ought to bear in mind.

It should say in a corollary fashion that, when it was described how the two delegations were in the Kurhaus in Schrevingen outside the Hague preparing for the case, what was not said was the Kurhaus used to be a big casino, so I do not know what one makes of that.

Seventh, there are new challenges that lie at our doorstep. We heard particularly from our friends in the media about secretiveness and apparently exclusionary deal making and how we might think about better means of involving a broad spectrum of the population and of interests. I did not hear an answer to that. I confess that I was a little disappointed in that our representatives from the media appeared to say that the media was less and less ready to assist in disseminating information and opinions and making people aware of what the real issues were. So I think there is something there. It was a theme. I think it is worth reflecting on.

Eighth, in an analogous fashion, our media friends talked about the dummying down of our sources of information. They noted as well that, from a Canadian perspective, Canadian identity might be giving way to broader socioeconomic concerns on the part of individuals. Maybe that means that state-to-state disputes are less important, or become less important than individual-to-state disputes. We have the demonstrations in Washington today which borders do not characterize. How are we going to recognize and meaningfully channel these new ideas and these forces? There, again, is a challenge to our traditional way of going about things, and we have to be innovative.
Ninth, following on that theme, we heard about the problems of our two federal states and how there have been innovative attempts to try and bring in the individual and the quite important interests of the subdivisions, if I may use that expression, of our two countries. Think about this: ultimately the problem that is involved in a particular dispute may be local, even though it involves national governments. We have in Canada our particular problems of the implementation of treaties; in the United States, you have your problems of getting anything through the Senate, or even through Senator Helms’ committee. How are we going to deal with this broadening out, while at the same time the two federal governments bear international responsibility for the execution of their obligations? Early management and consultation are fine, but I ask you, are there other ways of dealing with this? How do we approach it?

I am not going to discuss some of the specialized issues that I found very interesting, but I have two brief off-the-wall observations. In discussing the exchange of information in relation to defense, I happened to think about Helms-Burton, the Cuban connection, if you will. I happened to have been involved in a minor way three or four years ago in the famous pajama case. You will recall that it was discovered that Wal-Mart in Canada was selling Cuban pajamas. This caused much angst in Washington. I will not say who we happened to be acting for in my role except to tell you that I still have a pair of Cuban pajamas in my file. I had several pairs. One went to Mr. Chretien, but we were a little afraid to send the other pair to Mr. Clinton. While he is not easily embarrassed, there was Office of Foreign Assets Control (OFAC) out in the distance.

The other off-the-wall observation about some of these analogous problems is that Shirley Coffield reeled off all sorts of esoteric dread diseases of animals. Well, I want to assure you, when I told you that I have to get out in the mornings and slog around the barnyard, I do not worry about those things. I worry about things like foot rot and ringworm and pinkeye and scours. And I did not hear any help for me with those diseases.

Tenth, all of the speakers, in whatever context they were talking to us, emphasized the importance of the management of issues, whether they were dispute-related, or they had a sharply different focus. As we heard yesterday, there is not much difference in terms of competition cooperation. These are management issues. What I would say to you is that it is extremely important. And I think that we really have to keep constantly under review the management of our differences.

Similarly, as you know, last night we heard about culture. We had a plea for a rules-based system to recognize cultural imperatives. I would not go so far as to say that is pie in the sky. I think that the proposition is one that
ought not to be lightly dismissed. What I also heard last night was somebody saying that in U.S. legislation, where Congress does not get its way, the law of the jungle rules. I am not sure it is quite that. But I would hark back to what I said at the very beginning. It seems to me that the very existence of that legislation resembles Oliver Wendell Holmes's uplifted knife, and we ought to avoid that sort of thing.

There were two technical observations on the proceedings that I would like to make. First, we heard Guillermo Alverez speak about Mexico, and I thought what he had to say was very encouraging. Not only does NAFTA appear to be responsible for real progress in Mexico in the trade area, but if I understood him, and this is what is important, there is a real trickle-down positive effect on the population and on the problems that Mexico has. And transposing that to Canada and the United States, again the NAFTA has been a benefit. But I think we must not get mesmerized by trade enhancement and trade resolution techniques; so mesmerized that we forget the whole purpose. The whole purpose is to benefit our populations.

Second, I have a sort of off-the-wall observation. We came back time and again to the differences that mark us as Americans and as Canadians. I think those of you who were here last night and toughed it out will have gone away more knowledgeable, more understanding of how Canadians look at these sorts of issues. Selma Lussenburg made an observation that I thought was absolutely on point. What was at the core of what she had to say was that, while we speak the same language, it does not always mean the same thing. It does not equate to the same social and cultural attitudes. So we have to be careful. We speak the same language, but we do not necessarily come from exactly the same place.

I want to give you very briefly some personal suggestions of what we have to do. This is just a sort of wish list, if you will. There are three main areas. First of all, I think we have to keep management structures under review. I do not think that the State Department and the Department of Foreign Affairs ought to sit on their hands and say, we are doing it very well right now; let us continue. They are doing it very well, but I suggest they may be able to do it better. They have to keep those management issues under constant review. What about the timely recognition of problems? How is that dealt with? Are they really getting information out to each other and to those concerned?

What about the isolation of legal issues? That is important, as I have indicated to you. What about the early and effective utilization of existing mechanisms such as the International Court of Justice? What about the possible creation of ad hoc mechanisms, a type of tool box, a menu of possible things that can be called in aid. Are we regularly examining that?
Second, I think there is a call for the extension of existing institutions, particularly the International Joint Commission (IJC). I would not, for the world, get into the Senate process to change the Boundary Waters Treaty, but there may be some innovative ways in which the IJC can see its authority extended, or, in an ad hoc fashion, be given powers to do more than it is now authorized to do geographically, and in terms of subject matter. There is the other possibility of the creation of ad hoc investigatory mechanisms.

Finally, I suggest to you that the environmental and labor side agreements under the NAFTA provide a jumping off place for new initiatives. I was down at the Environmental Commission in December to a meeting involving equal access and what ought to be done. At those bodies, they do have some difficulties because, metaphorically, they are under the thumb of the governments, and so they are unable to be too bold. But I suggest to you that they should be better used. They ought to be given more power. They ought to be given, if not more power, at least the ability to take more initiatives.

Finally, I suggest to you that we need to envision the creation of new institutions; permanent, fact-finding bodies – a permanent judicial or quasi-judicial body to determine non-trade treaty disputes and other legal issues, such as the extension of equal access legislation.

Finally, and this is a bit off the wall, but I put it to you. It has been suggested that our relations might be more easily dealt with by the Congress of the United States and by the Parliament of Canada if there were some sort of structured common consultative mechanism, not the sort of informal meetings that they now have. Think about the possibility: If we have a body that meets infrequently but regularly for short periods of time; our legislators would get together and get to know each other and talk about some of these problems. It is not a parallel course to a solution, but it seems to me that it might provide some more flexibility, and certainly more understanding of the problems.

I come back to what I said at the beginning, let us try, wherever we can, to substitute rule making and impartial rule application for amorphous negotiations; muddling through. Wherever we can, let us have a rule based system. In Canada and the United States, we have our domestic governments rooted in law and its fair and impartial application. Our international relations deserve no less.

Our opening speakers gave really interesting and very valuable, fruitful insights from a lot of experience with the problem. They had some themes, or at least I thought they had some themes. Governor Blanchard was the optimist. He said he was up in Canada and we had problems, but we dealt with them. We had real difficulties, but basically things are going very well. He wanted high-profile disputes to be resolved calmly and without publicity.
Well, that may be a bit pie in the sky. I think that Bob Rae would not have agreed with him. But for Governor Blanchard, our two countries, to use a sort of Churchillian example, are proceeding toward a broad, grassy, sunny upland, with a few little cumulus clouds on the horizon. But generally speaking, things are pretty good.

While he did not engage Governor Blanchard directly, I thought Don Macdonald was a little more pessimistic, a little more reserved. His main concern, as I understood him, was the disinclination in the United States currently for new foreign policy initiatives. He worried that the minority view in U.S. politics, that which has an essentially inward focus, could take the high political ground. If that is so, we have to be concerned. So for him, maybe the sun is not out. Maybe there is a bit of gray out there, and the cumulus clouds are starting to look a little bit black. Depending on what was going to occur, we might get a squall or two. In my view, I think reality is somewhere in between. I think the two countries draw on too much good history in our relations to allow small tempests to destroy and permanently imperil or permanently poison the relationship.

I think, however, if I may offer this observation as a Canadian, that Don Macdonald was right, that it is United States leadership in the hemisphere that is going to be important, that is going to assist us in our own relations to strengthen our bonds, to strengthen our systems. By looking outward to the Americas, generally ambitious as something like that may be, it strikes me that the exercise can only benefit our relations, whether it is successful or not. I think that what it will do, and what I want to end with, is to impress upon our relations to an increasing extent the rule of law between our two countries and between our citizens.