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Chair

Mr. Kevin Sorenson

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● (1535)

[*English*]

The Chair (Mr. Kevin Sorenson (Crowfoot, CPC)): Good afternoon, everyone.

This is meeting number six of the Standing Committee on Foreign Affairs and International Development on Monday, March 2, 2009. Today we're going to continue with our study on key elements of Canadian foreign policy.

On behalf of the government, we want to welcome our two witnesses here this afternoon. I should say right now that we do not have other witnesses for the second hour, so we hope that possibly our two guests can stay a little longer than just the one hour.

In our first hour we have Mr. Peter Harder, senior policy adviser for Fraser Milner Casgrain; and appearing as an individual, we have James H. Taylor.

Our committee welcomes back Mr. Harder, who has appeared before our committee many times. We remember not that long ago he served as deputy minister in the Government of Canada, and he served as the most senior public servant in a number of federal departments, including Foreign Affairs and International Trade. I think in our conversation before the meeting began he said he served with five prime ministers in the deputy capacity—not to prime ministers, but to different ministers. He has also served as co-chair of the Canada-China Strategic Working Group. In 2000 the Governor General presented Mr. Harder with the Prime Minister's Outstanding Achievement Award for public service leadership. Currently he is a consultant and is serving on numerous boards of directors.

Mr. James Taylor is an Officer of the Order of Canada, and he has extensive experience in Canadian foreign service, including serving as Canadian ambassador to Japan from 1989 to 1993. He was chancellor of McMaster University from 1992 to 1998. He is currently retired, and we thank him for taking time today to come and appear before our committee.

Our committee will allow you approximately 10 minutes to open, and then we'll go into the first round of questions from members, with seven minutes each.

I should also say that it's my understanding from reading the bio that Mr. Taylor has also served as Deputy Minister of Foreign Affairs. So we appreciate the wealth of information and knowledge and wisdom that is represented at that end of the table, and we mean that seriously. We look forward to hearing your comments.

Mr. Taylor, please would you go first.

Mr. James H. Taylor (As an Individual): Mr. Chairman and members of the standing committee, I'm honoured to have been asked to appear before you.

Your present focus is on relations between Canada and the United States. I contributed a paper to the recent Carleton University project on this subject. The project's papers are available to you, I believe; therefore, I will not repeat what I wrote there. Instead, since the subject is vast and complex, I shall concentrate in these introductory remarks on two aspects only, and I will speak about them today as an extension of what appears in my contributions to the Carleton project.

The first matter is Afghanistan, to which is linked terrorism. Thanks to the Manley report, Parliament reached a relatively high degree of agreement about the nature and limits of Canada's engagement in Afghanistan. Consensus may not have been total, but it was sufficiently broad to assure our soldiers and civilians in Afghanistan that the country is firmly behind them, whatever policy differences remain.

As a citizen, I thought this was an important accomplishment. Surely one of the most serious responsibilities a government or a parliament can undertake on behalf of the nation is to ask its soldiers and others to risk their lives in a war. Everyone senses that such a decision must be taken only after the most conscientious examination and with the broadest possible political support.

For the present, the debate about Canada's participation in Afghanistan is in abeyance. However, in light of the new approach of the administration in Washington, we, along with our allies, shall be obliged to resume the discussion reasonably soon. When we do, we should try to avoid some of the intellectual confusion that has marked past discussions.

Before we decide what we should be doing in Afghanistan, we need to recall why the alliance went there in the first place. This was to seek out al-Qaeda, the authors of the 9/11 atrocity, to capture and punish those responsible, if they could be found, and to prevent Afghanistan from being used as a base and sanctuary for further terrorist plotting.

In the process, NATO became involved with the Taliban, the local protector and ally of al-Qaeda. Extending the struggle to encompass the Taliban meant confronting a violent form of extremism that aimed at regaining power in Afghanistan and imposing its reactionary program of society. After years of fighting, original distinctions began to blur. The enemy became the Taliban as much as al-Qaeda, and the narrow aim of preventing Afghanistan from becoming a terrorist sanctuary merged into a broad program of political, social, economic, and cultural reform, involving not only Afghanistan but Pakistan.

It was interesting that when questioned about what can reasonably be accomplished in Afghanistan, President Obama said he believes the narrow aim can be realized, but by implication, the broad program cannot, at least not easily or soon. I understand this to mean that the new U.S. administration is coming to the conclusion that the concept of the war on terror espoused by its predecessor was a misconception. The United States now sees the possibility of a military victory in Afghanistan only in the sense that the sanctuary for terrorism can be contained and destroyed and that the task of political, social, and economic reform in one of the world's poorest countries is a task for the much longer term that cannot be pursued by committing the alliance to an unending war and that, in the last analysis, must be left to the Afghan people, however much other nations may be able to help.

● (1540)

Afghanistan then is one obvious field for further policy development, requiring close cooperation between Canada and the United States, and within NATO. Another is nuclear disarmament. This has received less attention. President Obama made only one brief reference to the subject in his inaugural address. He said: “With old friends and former foes, we will work tirelessly to lessen the nuclear threat.” This is not much to go on, but the statement by Vice-President Biden on improving relations with Russia, made at the Munich security conference, was an indication that nuclear disarmament is indeed on the agenda of the new administration.

There is growing support in the United State for progress on this issue. On January 4, 2007, an op-ed article appeared in the *The Wall Street Journal* entitled, “A World Free of Nuclear Weapons”. This article was signed by four eminent Cold War stalwarts: two former Republican secretaries of state, Henry Kissinger and George Shultz; and two eminent Democrats, William Perry, former secretary of defence, and Sam Nunn, former chairman to the Senate Armed Services Committee. They called for “U.S. leadership...to take the world to the next stage: to a solid consensus for reversing reliance on nuclear weapons globally as a vital contribution to preventing their proliferation into potentially dangerous hands.” They concluded that: “Reassertion of the vision of a world free of nuclear weapons and practical measures towards achieving that goal would be, and would be perceived as, a bold initiative consistent with America's moral heritage.”

Since 2007 the authors have continued to campaign for this vision and have now enlisted the support of some 70% of living U.S. secretaries of state, secretaries of defence, and national security advisers. You can see why this initiative might appeal to the new administration; it is bipartisan, and it comes not from the left of American politics, but from the heart of the security establishment.

The nuclear issue has acquired new resonance because of the increased risk of proliferation—for example, in North Korea and Iran—and because of the increased risk of weapons falling into terrorists hands in unstable areas. Anxiety is focused, for example, on Pakistan, where Dr. A.Q. Khan, the father of Pakistan's bomb and a notable patron of proliferation, was recently released after five years of house arrest. And there is widespread pressure to expand civil nuclear programs to meet energy needs, since the same technology required for civil programs can be abused to develop weapons. While the risks of proliferation grow, the Cold War rationale for nuclear weapons disappeared 20 years ago.

At the moment, there are supposed to be 25,000-odd nuclear weapons in existence. The largest stock is held by Russia, and the Russians and Americans between them are believed to hold at least 90% of the world's total. The five other avowed nuclear weapon states, Britain, France, China, India, and Pakistan, and the two unavowed states, North Korea and Israel, are believed to hold about 1,000 weapons altogether. In addition, there are about 3,000 tonnes of fissile material held in some 40 or 50 countries. Iran, according to the U.S. intelligence community, abandoned its nuclear weapons program in 2003.

What the authors of the U.S. initiative are calling for is the resumption of a process begun under Reagan and Gorbachev, which continued under George Bush Sr. but faltered under Clinton and George W. Bush, but which managed nonetheless to produce large reductions in U.S. and Russian stocks of nuclear weapons.

● (1545)

The difficulties of proceeding are considerable, to the point where some critics look on the whole project as utopian. The United States, by disarming itself to a much lower level, would have to persuade other weapon states to give up their weapons. This process would have to be managed in such a way that the non-weapon states relying on a U.S. security guarantee—Japan, for example—would have to consider themselves at least as secure as they were before, even as U. S. weapons disappear.

For this level of confidence to be reached, it would be necessary at the same time for the international community, building on what already exists under the IAEA, to create a much stronger, more intrusive, and more expensive system of international controls to ensure against cheating. And the world would have to decide what to do with a country if it ever were caught cheating. This is a formidable, but not impossible, undertaking; and if the United States were to go ahead with it, Canada should follow developments closely and be prepared, in my view, to give diplomatic and technical support.

Mr. Chairman and members of the committee, this concludes my initial presentation.

The Chair: Thank you very much, Mr. Taylor

We'll move to Mr. Harder.

Mr. Peter Harder (Senior Policy Advisor, Fraser Milner Casgrain LLP): Thank you very much, Mr. Chair and members of this committee. As my friend Cy Taylor has said, it is a pleasure and a privilege for us to be here.

In my discussion in preparation for today, it was suggested that I might spend a little time standing back and just doing a bit of an overall sketch of in what context the world is changing and what the implications are for Canada's foreign policy. I'd like to say that the world is going through a transformation that we haven't experienced in 100 years in terms of the tectonic plates of major issues that will have a huge impact in terms of global economic and political power.

I want to articulate a few points in that regard. If we were sitting here in 1950—and I know probably none of us were—and looked at the top 12 countries in terms of demographic size, six of those countries would have been in what we call the western democracies, the G8 countries of the United States, Japan, Germany, the United Kingdom, Italy, and France. Only the other six were in the emerging economies or the then-third world, as we called it, of India, China, Indonesia, the Soviet Union, East Pakistan, and the like.

If you went, then, to the year 2000, which is of course in our time of adult memory, and looked again at the top 12 countries, you would find only three of those original six western democracies still on that list. They would have been the United States, Japan...and twelfth, Germany. And the introduction of large populations on the list from countries that were not even on the list in 1950—Nigeria, Mexico, Bangladesh—would have emerged.

If you look ahead to the year 2050, when many of you will still be in Parliament, and ask yourself about that top 12 list, only the United States would still be on that list. The other 11 countries would be the developing countries of the 1950s, the emerging economies of today, and they would include India and China, as one and two; the United States, three; Pakistan; Indonesia; Nigeria; Bangladesh; Brazil; Congo; Ethiopia; Mexico; and the Philippines. I mention this, not that I'm a determinist in demography equals political or economic power, but that is a huge shift in where the population pressure is, the need for economic growth, and what globalization will shift in terms of this tectonic plate of demography as a component of economics.

Let's just look for a minute at the raw economic transformation. Within the next decade China and the United States will have an equal share of global GDP. By 2025 China will represent about a quarter of the global GDP and the United States about 18%. By 2045 the so-called BRIC countries—Brazil, Russia, India and China—will have a collective GDP that is greater than the G7. Economic power is shifting, and the global crisis that we're facing today may nudge that one year or two years one way or the other, depending upon how countries respond, but the reality is that there is a massive change in global demographic and economic power.

Obviously that again isn't just the sole determinant of influence, but it does tell you, and begs the question, what is Canada's place in this.

MIlitary power, of course, remains overwhelmingly that of the United States and collectively that of NATO, but we are seeing that the threats to global security are less from nation-states than from non-state actors, and the threat of failed states and fragile states is much stronger than we had perhaps recognized when the wall came down in 1989.

● (1550)

What are the implications for Canada? I believe that Canada's foreign policy requires a global, realist, and internationalist approach. Why global? We cannot as a country, in my view, retreat to a regional approach to our foreign policy influence. The region, of course, would be that of North America and perhaps even the Americas writ large, and that's an important dimension of our foreign policy—and I want to come back to the U.S.—but our influence even in Washington is assisted by being globally present.

By the way, our business sector is globally present too. It is important for this committee to recognize that in countries like Yemen, for example, Canadian businesses contribute over 20% of the GDP in terms of economic activity. In a country like Ecuador, there is a very large Canadian investment. Mongolia is another, where the Canadian mining sector has been very active.

My point is that we must remain globally engaged and globally present as a country and we must be internationalist; that is to say, we have a unique heritage of being members of many organizations globally. That has given us, I think, a privileged place that doesn't come as it does for the Europeans—from a European Union in which they are able to collectivize some of their foreign policy assets.

It is even more incumbent on us, not having an EU within which to exercise foreign policy influence, to be doubly engaged in a broader internationalist agenda, whether it be through NATO or OAS or through active engagement in Africa and in Asia itself through APEC and other bilateral mechanisms.

My final point before I get to questions is that I'm afraid our infrastructure of foreign policy has atrophied and remains inadequate to the ambitions I would see in a world that I've painted for you, in terms of where power, economic and political, is shifting to. The infrastructure, the mechanism of engaging the foreign policy, is just as important as the policy itself. If you're not present, you don't understand the country. We have less of our foreign service abroad than the OECD average, certainly, and we're actually at the chintzy end of the OECD. We spend less on third-language training than New Zealand. We have 80% of our missions based on three Canadians or less.

My point here isn't to speak for my old department but to remind this committee that just as 10 years ago I would have urged the defence committee to reinvest in Canada's defence capacity, I'm asking this committee to reinvest in Canada's foreign policy and development capacity through our representation abroad. I'm asking this committee to reinvest not in the old places but in the new places, in the countries of the future, and not just in the capitals, and to have the language skills and the understanding necessary to bring Canada's interests both to government and to Canadian players, be they business or civil society. So when you take a look at foreign policy issues, I would ask that you ask yourselves: are we best equipped and best organized to deal with these?

Finally, one of the most important developments of the last 10 years is what has become a euphemism to talk about, and that is globalization, but truly, the domestic agenda of Canada's public policy has become international. Whether you're talking about health issues, environment issues, or security issues, almost any department's agenda has a dimension that is at least North American, if not global. We haven't adequately put in place the mechanisms to assure coherence and cohesion across the collective interests of the Government of Canada. I believe that it is urgent and necessary for us to maximize our influence globally.

Thank you.

● (1555)

The Chair: Thank you very much, Mr. Harder.

We'll move into the first round.

Mr. Rae, for seven minutes.

Hon. Bob Rae (Toronto Centre, Lib.): Thank you.

Mr. Harder and Ambassador Taylor, it's great to have you both here representing such a great tradition and also pointing to the future.

Ambassador Taylor, I was very encouraged by your comments on nuclear disarmament in particular, but can you explain why we don't hear those two words spoken very much anymore in terms of our foreign policy? It was always a major feature of our foreign policy during the Cold War. Would you say the threat with respect to nuclear proliferation and the consequences of not having a strong approach to disarmament are as great today as they were at the time of the Cold War?

Mr. James H. Taylor: I think the reason we hear less, or have heard less, of the issue in recent years in Canada is because of the end of the Cold War and the fact that people concluded that particular nightmare could be put in the past and forgotten. Now the threat is looming again, not in the form we knew a generation ago but, as I suggested, because of these various contemporary pressures, like the pressure to build new civil power reactors in many places in the world, which increases the proliferation risk and the risk Peter Harder has alluded to, the risk that arises because there are a growing number of unstable states in the world. The combination of instability plus an increasing number of nuclear programs that can be abused for weapons purposes is a dangerous combination.

I think, for the United States, one of the appeals of resuming a policy of pursuing nuclear disarmament is obviously that it has the bipartisan appeal to which I referred, and that it would chime very much with the note of change the new President is striking. It requires, as I've suggested, a great deal of preliminary work, and I suppose that when the vice-president spoke as he did in Munich about opening a new dialogue with Russia, one of the things envisaged was that eventually—perhaps not immediately, but eventually—the question of further steps of nuclear disarmament by the Russian republic and the United States would be taken up.

Some of the advocates of nuclear disarmament believe, and argue, that this may not be the wise way of doing it, that Russia is one of the hardest nuts to crack, with the largest stock of nuclear weapons, and that it might be better if the United States were to pursue this objective by starting somewhere else. There are other places that could easily be a focus of efforts—Iran, obviously, where the effort to contain an incipient weapons program is already well launched and being pursued with great difficulty; North Korea, which remains a danger, but where there's already a long history of negotiation. In fact, there are so many risks here and there in the world that the United States could have its hands full approaching one or the other without ever getting around to touching the question of a further dialogue with the Russians for some time.

● (1600)

The optimists, on the other hand, would probably remember that when Gorbachev and President Reagan, who only a few years before had been talking about the evil empire, got together in Reykjavik in 1986 just by themselves, they almost succeeded in agreeing to do away with both Russian and American nuclear weapons stocks as they stood then. An astounding result, that would have been. Even what they achieved was really astounding, because at one time, at its worst, I think there were over 30,000 nuclear weapons in the world. That, at least, has been reduced by a considerable proportion, as has the balance of terror that we used to have nightmares about, which arose from having airborne weapons, seaborne weapons, land-based weapons, long-range weapons, short-range weapons, and medium-range weapons in the tens of thousands in existence in the world, and some of them, more or less, on hair trigger. That situation was defused pretty well, largely in the time of George Bush Sr. as president.

But the process has stalled since. It stalled basically under the Clinton and George W. Bush presidencies, I think because the strategic reviews that the Americans conducted then led to the conclusion that, yes, they could indeed reduce their stocks much further, but that they would have to keep, they believed, thousands of weapons still in reserve. That was a kind of hedge against a return of Russian aggressiveness. And of course if you want to argue that case, the behaviour of Russia in the last few years provides certain evidence that would leave you uneasy and would give a certain justification to that thesis.

Nonetheless, there was very substantial progress before. And what is now being argued by these very impressive American witnesses is that the United States should take a lead to resume that process. If it did, I'm sure any such initiative would be warmly welcomed in Canada and we would see a return in our own public debate to a discussion that has been suspended, in effect, for the last twenty-odd years.

● (1605)

The Chair: We'll move to the next question.

Mr. Crête.

Mr. Peter Harder: Could I just take 30 seconds on that?

The Chair: Okay. Go ahead very briefly.

Mr. Peter Harder: There is one program that we continue to contribute to, called Global Partnerships, which costs a hundred million dollars a year. Canada made a billion-dollar commitment at the G8 to fund the decommissioning of fissile material in Russia and Ukraine. I suspect most Canadians are unaware of that contribution. It's a very important program, one that could be the basis of further programming to deal with fissile material, and one that the Russians hold in high regard.

The Chair: Thank you, Mr. Harder.

[*Translation*]

Mr. Crête, you have seven minutes.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Thank you, Mr. Chair.

Mr. Harder, I think is very significant that you have come to speak to us about the need for a global, realistic and international approach for Canada, within a forum where we are dealing more specifically with our relationship to the U.S. It shows quite clearly to what extent this forum deals with other matters, of a global nature. What you said was, on the one hand, exciting. In real life, the exciting side is important, but there is also the part that scares us and moves us to act.

What will happen if Canada's foreign policy is not re-examined in depth and if we continue along on this track?

Mr. Peter Harder: Thank you for your question. Allow me to be quite direct.

[*English*]

For me, the common economic space of North America requires an economic policy of further integration and thinning the border so the automobile sector or other manufacturing sectors are able to move freely across that border. We have to work with the Americans, and my preference is bilaterally.

I have argued elsewhere that we trilateralize too much of our relationship with the United States. That economic relationship doesn't have much to do with foreign policy; it has a lot to do with the sharing of economic space in North America. I believe we should be more ambitious for that economic space beyond the FTA, in terms of seeking ambitions that would have us deal with rules of origin and perimeter issues with respect to border and security requirements. We can talk about that.

But it is absolutely imperative for our foreign policy well-being and our relevance in Washington that we have a deep and contributing role in international affairs outside of the North American economic space. When things have gone well, the Americans have wanted to talk to Canadians, because we had ideas and presence globally that helped inform American decision-makers about issues they were dealing with.

George Shultz was referenced by Mr. Taylor. When George Shultz was Secretary of State he met with the Canadian foreign minister on a quarterly basis. He called that tending the garden. Sure, the bilateral issues were undoubtedly raised, but they also talked about the hot spots in the world, where Canadian perspectives were not always the American perspectives, but they were informed; they could engage.

The issues are different today, but we have to bring to bear our capacity to engage, inform, and participate in the debate globally to have influence in Washington. My concern is that we not simply think of the U.S. relationship as an economic bilateral relationship, or we won't have mind-share or time-share in the administration. It will be detailed work for officials who are managing a commercial enterprise. We need to have the ideas, the articulated global perspectives, and the assets that make those judgments valuable to the Americans.

The Chair: Thank you, Mr. Harder.

Mr. Taylor.

[*Translation*]

Mr. James H. Taylor: I would add that personalities matters. Mr. Harder mentioned Mr. Shultz. Mr. Shultz was ready, from time to time, to come and discuss matters with us that were sometimes of a technical nature, complex, that generated little public interest. However, he was an expert, whereas Mr. Kissinger never wanted to discuss technical bilateral matters. He practically refused to take part in any discussion of that nature. As far as he was concerned, only major policy matters counted. Sometimes, what we can aspire to accomplish in our dialogue with the United States is based on the person we are dealing with.

● (1610)

Mr. Paul Crête: Aside from the contingencies of, say, everyday political life, if an American Secretary of State were to say that the Canada-U.S. border is essentially comparable to the southern U. S. border, as has been said recently, we would have to start from scratch. Aside from this, what will enable us to achieve this relationship and have an approach which really goes beyond everyday politics?

[*English*]

Mr. Peter Harder: I think it is important for Canadians to understand that in the American system, power is highly diffused. Even the President has to work with Congress to secure legislation.

I would applaud the efforts of various governments of Canada to bring us out of simply working with the White House in the relationship. But we've been less successful than some other countries—Australia, I would argue, has been very successful in Washington—in building on perhaps the early successes that we had 20 years ago in dealing with Congress, dealing with sub-national levels.

Premiers are very effective. You saw how effective they were in Chicago, then in Houston, a couple of weeks ago on the Buy America issue. In part that's because they've been around for a while, and they've met with and formed relationships with governors. And you see that governors often become cabinet ministers and senior party activists in the United States system.

So I think we have to be more deliberate about how we engage not just the President, and perhaps not even just certain committee chairs, but actually the broader political spectrum of national and sub-national actors, to restore in advance some of the connectors that used to be given.

That's been exacerbated in the American context by three factors. One is that population and political power have shifted south and west, so not along the border. Second, the pace of politics creates less time for parliamentarians and congressional people to get to know each other. Third, Canada has less currency in Washington's thinking on policy issues. We're not a problem, and that's a good thing, but at the same time, we need to find ways of having the ideas that will render engagement with us as something the Americans want to do.

[*Translation*]

Mr. Paul Crête: This year marks the 50th anniversary of the Canada-U.S. Interparliamentary Group. The Prime Minister of Canada was there, at the first meeting, 50 years ago and the U.S. President may also have been. I think that that is one possible tool at our disposal. You referred several times to being up to date in our actions, of having a presence.

Have you thought about an Internet presence, which we could really work on? In this day and age, to influence a young South African, it may be easier, for those who have access to it, to use the Internet than any other official channel. Have you considered this, or have others, when it comes to international relations?

● (1615)

[*English*]

The Chair: Very quickly.

Mr. Peter Harder: I know that the Washington embassy has engaged the Internet for developing a network of Canadians in the United States, putting out information about the relationship with Canada. I don't think a lot of Americans know that for 39 American states, I think it is, Canada is the number one export market. This is not just a border phenomenon.

In my view, we have to spend more money on public diplomacy to tell our stories to Americans so that we can then have the greater mind share when it comes to both our issues and issues on which we want to have influence.

The Chair: Thank you, Mr. Harder.

We'll go to the government side, to Madam Brown.

Ms. Lois Brown (Newmarket—Aurora, CPC): Thank you, Mr. Chair. I'm sharing my time with Mr. Goldring.

I have a volley of questions I would like to ask, but perhaps afterwards I can—

The Chair: Actually, let me just say that if the guests are able to extend beyond the hour, there will be lots of time for questions for everyone.

Madam Brown.

Ms. Lois Brown: All right. I will ask these two, then. This comes out of things that both of you have said. I'm not sure quite how you want to answer this, but I'll leave it in your hands.

You were talking about nuclear proliferation. My sense is that the aura of the United States has somewhat been lost. Particularly during this economic downtown, people are not looking favourably on the United States: they're the perpetrators of this whole problem, they've lost some of their lustre.

Mr. Harder, you talked about Canada's multicultural population. We have people from all over the world. Is it possible that Canada can step up to the plate and become an honest broker in this discussion in the world now? Do you think we have the opportunity to take this on and to really plant our feet on the world stage? Is that possible?

Maybe I'll just ask my second question now as well. I've read, in the last little while, a book by Thomas Friedman, *The World is Flat* .

Mr. Peter Harder: He wrote *Hot, Flat, and Crowded*.

Ms. Lois Brown: I'm reading that one. I'm almost finished that one. I've become quite a fan of his, I think.

Hernando de Soto wrote the book *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. He talks about the need for emerging economies to have, first of all, the rule of law, contract law, and recognition of the ownership of property as stabilizing factors. When we talk about Canada's foreign policy, and obviously we work very closely with the United States on many of these issues—you talked, Mr. Harder, about our businesses going in and about globalization—are we helping to make those things happen in these emerging economies? Is there something we can be doing that would help that move along more quickly? Do you see it as beneficial that we work in those areas?

The Chair: Thank you, Ms. Brown.

Go ahead, Mr. Harder.

Mr. Peter Harder: Thank you for the question.

I believe there is a lot we can do—a lot we can do with the existing resources we have and a lot we can do with targeted resources added to our repertoire. This needs both ministerial blessing and engagement, but a lot can be done by diplomats as well.

I do some work in South America. In the countries where I work, at the highest levels—presidents and ministers—they talk about the Canadian approach to investment. They mean transparency, rule of law, and predictability. We, in turn, ask of the local government that they respond in a fashion whereby Canadian investment meets the criteria of transparency, rule of law—often environmental issues and labour issues are involved if you're dealing with the mining sector—and in South America, aboriginal issues. In one case, there is active engagement of the aboriginal leadership in Canada with the aboriginal leadership in the countries I'm referring to. They are talking about Canadian aboriginals being part of the extraction industry in Canada as a model for the country.

I mention this because it's not just officials; civil society and other players can add to the repertoire we can bring to a particular country's needs. But I do think you have to have the enhanced capacity to do some of this stuff. It is very difficult to pursue this if you don't have a significant presence and the capacity and understanding.

I am an optimist. I believe that Canada can have influence globally, but we also must be realistic in acknowledging that while we are a G8 country and a serious economic player, we are not as unique as we were 20 years ago or 30 years ago in the sense of where global power is. To that extent, we have to focus. We have to have niches, and we have to have the ideas that bring relevance to the engagement. When that has worked well, it has made a significant difference, and there are examples you could cite.

● (1620)

Ms. Lois Brown: Mr. Taylor, would you like to comment on whether Canada can be a player in this negotiation process?

Mr. James H. Taylor: Yes, certainly, I'd be glad to.

I think Peter is right about nations. Of course we want our country to hold its head up in the world, but you have to consider what your assets are and what your limitations are when you aspire to influence international events.

There's a certain amount of the Canadian presence that is, you might say, a fortuitous accident of our history. That is to say, we happen to be a country that was once a French colony and then became a British colony. That has given us in this past generation the possibility of creating links, if we wished, with two-thirds of the sovereign states in the world, with many of whom we really share, initially anyway, very little except this historic accident that they too were once either a French colony or a British colony. Well, if you apply the hard-boiled test of immediate Canadian interests, very often you find that our interests in these countries are minuscule, initially at least, and the relationships have to be synthesized out of almost nothing, to begin with.

When empires were put on the block after the first war, and particularly after the second war, the nation faced the decision of whether it would limit its perspectives. For instance, again as Peter was suggesting, we might have said Canada's role is really in the Americas, and if we're going to help poor countries, for instance, there's lots of poverty to be dealt with right here on our geographic doorstep, so to speak. We could have, had we wished to, focused our efforts then and not developed a worldwide set of connections. Again, I myself think it was because of a historic accident. That is to say, when the British empire broke up, it broke into some huge pieces, and when India, in particular, became independent in 1947 and marked the end of the British empire, it was obvious that this was a vast, new sovereign state, one of the most populous countries in the world, the focus of hundreds of millions of people, many of them living in poverty. This was a vast weight in the international system that you simply couldn't ignore, in particular because we had a connection with it in the Commonwealth membership and in the fact that India was this vast democracy, and we wished to encourage and support India.

So when the question was first put to Canada, in effect we said yes, we are open; we must be open, surely, to the possibilities of an expanded relationship with countries like India and Pakistan. But that set the pattern. Nobody thought at the time that, well, if you do that in India and Pakistan, what do you do for all the other ex-British colonies that are going to become sovereign states in the next generation? In particular, no one foresaw at that time that the French empire was going to be put on the block in the fifties.

● (1625)

The Chair: Thank you.

Mr. Dewar.

Mr. Paul Dewar (Ottawa Centre, NDP): Thank you, Chair.

And thank you to our guests for taking the time today to help us with our project.

I was taken by both your presentations. I might just start with Mr. Taylor because I too was happy to hear in Mr. Obama's historic speech the mention of non-proliferation of nuclear weapons. It's interesting, you mentioned that it was something that had been an issue right after the fall of the wall and that a lot of really good work was done. And I was glad to see, as you also mentioned, the bipartisan article of people like Mr. Kissinger and Mr. Shultz joining arms with Mr. Nunn.

I must say to you that if you had told me in 1986 that would ever happen, I would have said that you should check the water you're drinking.

So I'm glad you mentioned it, because I want to go further with you on this, to where Canada can play a role. You intimated just a second ago that we can't do everything, but that there are a couple of key things we can do. Are you aware of the Hiroshima-Nagasaki Protocol that was put forward recently? It basically is a venture whereby about a year ago there was a discussion about having a target date set of being nuclear free by 2020 and that there would be a convention to that effect signed by 2010. I would note that the name of the protocol, which obviously came out of Japan, was actually something that had been done through mayors globally around the world. And I know a little bit about that from when my mother was mayor and had taken this issue on, along with mayors from other cities around the world.

But what I was going to then venture into was, should Canada get involved in that? And I'm thinking of our experience on other protocols like the land mine treaty and of course the cluster bomb treaty.

The Chair: Thank you.

Mr. Taylor.

Mr. James H. Taylor: Let me relate this to what I was saying in reply to the previous question.

Once again, I think we want to play a role and I think a role would be widely supported in Canada. But you have to consider how you're placed in relation to this question. I think the first step, in the case of further nuclear disarmament, would be for us to find out what the new administration intends to do in the United States. That could be done confidentially in diplomatic conversations, initially.

President Obama said more on this subject during the campaign, but we all know there's a difference between being a candidate and being in office. All he has said in office, as I pointed out, is so far very limited. What priority does he intend to give to this? If the United States intends to take a public lead soon, that's one thing. If he has decided that this is something so vast that he's going to go at it relatively slowly and not use up political credit early in his period of office on this project, that's something else.

Where do we stand in relation to it? Well, if the United Stated were indeed to take an initiative, it would require a vast diplomatic effort that would need to be supported by various categories of countries. There will be a task of persuading countries that have nuclear weapons. There will be a task of reassuring countries that could produce nuclear weapons. And it doesn't take much to produce them; when you think that countries such as Pakistan and North Korea can produce nuclear weapons, then there are all sorts of countries in the world that have the potential, including our own.

We were the first, really, to face that option and decide not to develop weapons. We have a unique standing, from that point of view, and an entry into the question and a right, if you will, to take an initiative in the absence, perhaps, of an American initiative. We would be representing a group of countries that have turned their faces against the option of developing a weapons program, and we would have to be prepared to deal with the people who would say to us, inevitably: it's all very well for you people to speak; your security has been guaranteed from the very beginning by the Americans, in the act of defending themselves.

You'd have to be able to speak to friendly countries, such as Japan, that are much more exposed and that obviously have the industrial potential to produce weapons—although it's almost unthinkable that Japan, of all countries, would ever embark on a weapons program. But think of how exposed the Japanese are, with China and Russia and North Korea. Countries in that position have a much less secure sense of their place, from this point of view, than we have. If we are going to step out and support a cause of this kind, in doing so we have to take account of anxieties of that kind.

● (1630)

The Chair: You have two more minutes.

Mr. Paul Dewar: I have a question for Mr. Harder on his comments about global relationships—and of course, as they relate to the United States.

The Commonwealth is an interesting group. It's not that active these days, but it has certainly served us on many issues in the past, as in the case of South Africa, among others. There are some interesting data to back up what you've been saying.

What do you envision, looking ahead? Should we, with the Americans, be really pushing the G20 over the G8? This is not to say the G8 is dead, but is it time to put our emphasis there with the Americans and push them there as well?

Mr. Peter Harder: I believe the G8-G20 debate is not a zero-sum game, that we should be actively pursuing our role within the G8. There is an agenda. We will have the leadership of the G8 next year, which is a terrific opportunity for Canada to highlight its ideas for global issues, but the time has come for the G20 as well.

I was always of the view that the G20 would be a reality when an issue demanded its presence. The global economic crisis has allowed the G20, at the leaders' level, to be the logical forum. The G8 was not legitimate, in terms of representing the powers that were necessary, to begin to have the dialogue across the interests of nationalities and countries to shape a collective strategy. So the G20, I think, is here to be an additional forum on the agenda of global governance, and that's to be welcomed.

I'd probably suggest there are some absences on that list that one might wish to address, but that's nuance. As long as the G20 credits itself in this crisis as an effective forum for reaching some degree of consensus in how countries will participate in action plans to deal with the global crisis, it will be further legitimized for other issues, perhaps.

That continues to allow the G8, by the way, to have its role of being a catalyst. They certainly are more like-minded than the G20 can be. It used to be the industrial democracies, and the so-called Outreach 5, which have now almost become a regular feature of the G8, will continue. I suspect that maybe in 10 years, if the G20 has evolved with not just the issue they're dealing with today but perhaps other issues that it is able to contribute to global solutions through that mechanism, it might become a more prominent mechanism than the G8, and that's good.

But I don't think we should throw out the G8 and say it's all about the G20. There are issues on which the consensus the G8 is able to achieve—or the G7 on financial issues—is an important catalyst around which further work and further action can take place.

● (1635)

The Chair: Thank you, Mr. Harder.

Mr. Goldring, please. We're into the second round, Mr. Goldring, so five or six minutes, please.

Mr. Peter Goldring (Edmonton East, CPC): Okay. Thank you, Mr. Chairman.

Mr. Taylor, you had made comments, the echoes from the Plains of Abraham, about the linguistic duality of our country. Certainly that's a very important asset in dealing with the French world and the English world, but there's an additional one here, which is our multiculturalism. Literally, Canada has all the nations of the world within one country and is unique in that aspect. A tremendous amount can be gained by better engaging the diaspora of the various communities internationally.

But my question is more toward the United States, Washington, and the embassy in Washington, and about my understanding of the secretariat that is being formed there, that's being set up for advocacy and as lobbyists for Canada's interest. How does that manifest itself and how many are engaged in that? Is there room to put in more resources? What have they been able to do? Do they influence Canada-U.S. policy? Could you tell us a little more about that group?.

Mr. James H. Taylor: I'm sorry, I'm really not equipped to answer that. I left the department in 1993 and I don't know what resources they've—

Mr. Peter Goldring: Oh, my understanding is that it was set up before that.

Mr. Peter Harder: It was set up when I was there.

It built on the congressional relations office that was set up when Mr. Gotlieb was our ambassador and the whole notion of engaging Congress more aggressively. But there was an evolution of thinking that said, well, we have provinces that have relationships in Washington that we should leverage, and we should be more active in advocacy programs using web-based or other advocacy tools.

I couldn't tell you how many people are presently engaged; you will have to get that from the department. But I do know that after 9/11 the embassy launched a very significant advertisement campaign to show solidarity, and also the Canadian participation in post-9/11 events served us very well. And there are other ways in which I think the advocacy group could be made more robust in terms of the kinds of roles we talked about today.

Mr. Peter Goldring: Is that just set up in Washington, or are there other models? Are they trying to do that in other areas, or is it more specifically provincial representation—

Mr. Peter Harder: Well, there is co-location with other governments, provincial governments, and of course the presence of other departments in most embassies abroad—not all, but major capitals and the like.

In the United States it is G1, and given the nature of the diffusion of power, it is a more deliberative approach, absolutely, and resources are more generously allocated.

● (1640)

Mr. Peter Goldring: On another issue, given the new regime there and some discussion about it, there is one remaining Cold War wall, if you like, to be torn down, and that's the Helms-Burton control of Cuba. Canada seems to have excellent relationships with Cuba. Is there a role that Canada can play to work with this new administration to better our interests in the region as well as help the United States and Washington bridge this last gap?

Mr. Peter Harder: I actually think there is a role we can play as long as we don't talk about it. That's one of the real challenges of foreign policy. There is in Parliament and there is in the media and in the broad public a desire to articulate what you are doing. Cuba is a perfect example of where our experience—our presence in Cuba over a long period of time—and the kind of expertise that we have developed are very carefully sought after by the Americans, and it can have significant effect, I believe, but not if we talk about it.

Mr. Peter Goldring: Would that same logic carry through to concerns that Washington might have in the eastern European countries, where Canada also seems to have excellent working relationships with countries like Ukraine, Poland, Georgia, and other countries?

Mr. Peter Harder: But the Americans are there.

Mr. Peter Goldring: The Americans are there.

Mr. Peter Harder: I'll give you another example: Iran. The Americans aren't present; we have been. And that is a classic way in which Canada quietly can be another source of view on what's going on.

Mr. Peter Goldring: Thank you.

The Chair: We'll go to Mr. Patry.

[*Translation*]

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Thank you very much, Mr. Harder and Mr. Taylor. You both mentioned, specifically Mr. Harder, at the very beginning, the issue of change on a global scale both in terms of population and GDP. The pace of change has been astounding. This is quite new to me; I had not really thought of this issue.

I would, however, like to hear your comments on the recent statement made by Prime Minister Harper this week to the effect that the war against the Taliban cannot be won and that military forces should mainly work on development in Afghanistan.

How do you view this statement and what effect could this have on NATO? Do you think that there should be an international conference held in that region of the world, which would have to involve Pakistan, India, China, Iran and Russia, all the major players?

[*English*]

The Chair: Thank you, Mr. Patry.

Mr. Harder.

Mr. Peter Harder: You'll recall that in my opening comments I said that Canadian foreign policy should be realist. I think the Prime Minister's comments with respect to Afghanistan are very realistic. They reflect the literature, they reflect President Obama's comments, and they remind us of what Mr. Taylor described, the strategy behind the intervention.

All I would say is that you cannot talk about Afghanistan without talking about the region, and that's principally Pakistan. I would refer to Secretary Gates' comments of a couple of days ago, when he said that Pakistan was the key and most volatile element to the solution, and that we have to be modest about what we are seeking to achieve, but we should be vigilant. Remember, there were more than sixty countries that signed the London Conference declaration for Afghanistan's rebuilding. We have to be quite modest in how we describe what has been accomplished, and perhaps even about what can be accomplished. No insurgency has ended without some degree of accommodation across the lines. But it is absolutely important that the accommodation in Afghanistan take place, because the Afghanistan people, on both sides, want it. We cannot impose the bridge. We have to have a security situation that allows those policy choices to be advanced within Afghanistan.

● (1645)

The Chair: Thank you, Mr. Harder.

Mr. Patry, you still have a minute left.

[*Translation*]

Mr. Bernard Patry: I would like to know what our witnesses think of the Arctic, a subject which is commonly discussed these days. How do you see things evolving in this area?

[*English*]

Mr. Peter Harder: Well, that's a very good question, and one that—

The Chair: All in less than 40 seconds.

Mr. Peter Harder: Let me say that it is one of the dimensions of our foreign policy that is uniquely legitimate for Canada—not exclusively Canada, but it brings together across that circumpolar region a very interesting set of countries that can deal with environmental, economic, ecological, and strategic issues, not to mention the way in which our populations—the Inuit in particular—live and are represented across that circumpolar region. I think there is a lot of opportunity and scope for a Canadian *volet* in the Arctic. In fact, I would suggest that might be something that we want to use our G8 presidency to articulate, because it gives a timely matching of the Law of the Sea commitments with respect to the mapping of the Arctic, around which there has been a lot of hyperbole, with Russia's mapping and Canada's being behind and all of that sort of stuff.

It's one of the ironic areas where Russia recognizes our approach to the Northwest Passage as being an internal waterway, and the Americans don't. It's an interesting set of issues around which I think there could be quite an interesting dimension to our foreign policy.

The Chair: Thank you, Mr. Harder.

Mr. Lunney.

Mr. James Lunney (Nanaimo—Alberni, CPC): Thank you very much, Mr. Chair.

I want to pick up on the discussion about nuclear disarmament and the somewhat optimistic view we heard Mr. Taylor put forward.

But I want to ask this question about Russia. You mentioned that the threat seems to be less from state and more from non-state players today, and that's probably an accurate remark. But coming back to Russia's role today, some would say it's somewhat provocative. Some would say they're becoming increasingly isolationist and bellicose, with continuing challenges to our air space recently.

I think you mentioned, Mr. Harder, something that perhaps many Canadians aren't aware of, about dismantling fissionable material in Russia. Some people might wonder about the wisdom of our spending money trying to deactivate some of their fissionable material from the old Soviet era while they're building new submarines and a modern fleet.

Russia has admitted to transferring fissionable material to Iran. Earlier, Mr. Taylor remarked on the report that Iran had abandoned nuclear ambitions somewhere around 2003. It might have looked like that for a season, but there may be reason to think that's not accurate today. I'm wondering if you're feeling as optimistic as Mr. Taylor about those prospects, and whether we ought to be quite concerned about what's going on in Iran.

So that's the first question. Do you share that optimism, and how should Canada respond to Iran? How does the world deal with Iran in light of what happened in Iraq, which was a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons? Israel dealt with that threat unilaterally and was condemned for it.

I have another question that goes completely in another direction.

Mr. Peter Harder: I think 9/11 reminded us all that Hobbes is back. The pessimistic nature of humankind perhaps is something we had lost sight of.

But I would say let's be a realist with respect to Iran. I think you could argue that some of the statements made in the west have made it easier for Ahmadinejad to hold power. They're about to go into a presidential election, and there may be a surprise in that election. While I guess we shouldn't pronounce on what we wish, clearly there is a huge challenge that the Government of Iran is facing from its domestic audience. Its economic agenda has been a disaster. It has very high youth unemployment and the like. I mention that just so we don't act in a way that allows a government to basically galvanize public support by campaigning against the United States or the evil west.

I've been quite impressed by how President Obama has articulated his approach to Iran, which is a willingness to have direct discussions, but he has also very clearly set out some policy parameters of what is expected in that relationship.

So I'm not optimistic or pessimistic; I'm a realist that this is going to take an awful lot of patience, diplomacy, and working forward. But I don't know what our other options are, because a military intervention in Iran would be a disaster for the region.

● (1650)

The Chair: Thank you, Mr. Harder.

Mr. Taylor.

Mr. James H. Taylor: I have a clarification, Mr. Chair. The judgment that Iran had abandoned a weapons program is a quite recent national intelligence assessment of the entire American intelligence community. There have been more recent statements—some by senior American Defense officials of the new administration, some by State Department officials—that are not entirely coherent, but they seem to amount to a judgment that Iran now has a supply of low-enriched uranium that is more than sufficient to produce bombs. But that does not mean they've built them yet.

So I think the administration is probably counting on there being a period when the kind of intelligent activity Peter Harder has described may produce a successful result. Maybe it won't; who knows? But there is apparently a window of opportunity for negotiation that continues in relation to Iran.

The Chair: Thank you very much, Mr. Taylor.

We'll move to Madame Deschamps.

[*Translation*]

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Thank you, Mr. Chair.

Good afternoon, gentlemen.

To you both I would say that your extensive experience is impressive. I feel a little overwhelmed with everything you are telling us today. Mr. Harder, you said earlier that you had worked under five prime ministers of Canada. You have probably experienced and witnessed various trends, different influences and tendencies to which those eras have been subject. I am referring, among other things, to the overall consequences of globalization, both domestically and abroad. There were George W. Bush's two terms in office, the economic crisis that is currently being felt around the world, and we have also seen the election in the United States of a man who generates hope and who is being scrutinized by the international community.

Earlier in your speech, you referred—and you'll tell me if I'm misquoting you—to the failure of Canada's current foreign affairs policy. You might have indicated—and if you didn't, I will give you this opportunity to do so—that it is possible, at present, to implement various mechanisms to reinforce this foreign policy. We have discussed many subjects and facets: economy, finance, defence, Afghanistan, Iran, closer ties between Canada and the U.S., but there is still something, in my opinion, that we mustn't lose sight of either, meaning everything related to environment and trade. We talked a little bit about that.

I would like to hear your comments on this.

● (1655)

[*English*]

Mr. Peter Harder: One of the consequences of globalization is that we have a longer list of issues that need to have the discipline and perspective of professional diplomats engaged in them. Environment is one, and it's not just climate change. Over the years we've had experience in cross-border environmental issues. The way in which acid rain was dealt with is a good example of diplomacy and sectoral knowledge being leveraged in Canada's interest. The Arctic has an environmental dimension.

My concern is that we need to have the integrating capacity of Canada's interests involving the sector or department that is affected—Environment, or the Department of Natural Resources—but we need to have an integrated perspective that brings diplomacy to bear, and coordination and leverage as well. I'm not saying this isn't present; I'm simply saying we probably need to spend more time and effort on ensuring coherence across a range of what some would construe as a domestic agenda that really has an international dimension.

The new ones are environment and health. Heath includes infectious disease; increasing the coordination of vaccine and health research on a global basis; and the whole R and D agenda, which may not be entirely embraced globally. But there is an opportunity for Canada to leverage its university and research infrastructure in the interests of Canada's foreign policy, if I can put it that way. That might even be research on environmental issues that are uniquely ours—oil sands; heavy oil, and the like; and certainly northern environmental issues, going back to Dr. Patry's comment about the Arctic.

So I am very much of the view that we need more mechanisms to include diplomats and the Department of Foreign Affairs and International Trade in what is articulated as a Canadian policy issue.

The Chair: Thank you, Mr. Harder.

Mr. Obhrai.

Mr. Deepak Obhrai (Calgary East, CPC): Thank you, Mr. Chair.

I want to welcome both Peter and Ambassador Taylor.

Between you, you have a tremendous amount of experience in diplomacy and where Canada is going, as both of you were heavily involved in Canadian diplomacy in Foreign Affairs.

The question I have is on the global bigger picture perspective and, from your experience, what has happened in the past. Would you say there has been a general loss of influence by the U.S. in world affairs, or would you say that currently you are seeing more opportunities being presented? Based on your experience of what is happening in the U.S. and with NATO allies in the western world, what do you think is happening around the world?

Mr. Peter Harder: I think it's the wrong question. I'll answer it, but it's the wrong question, because it assumes a static pie of power. Let's face it, is Parliament as powerful as it once was, or political parties?

One, we are living in a more complex society, in which power is diffused. What's a national economy? In an era where power is more diffused and there is less institutional deference to authority, it's not a surprise that this would reflect itself in global power.

Two, historically, I think the post-war period will be judged as a rather unique 40 years in which very few number of countries could pretend that they ran the world, because power wasn't as equally distributed, or at least not as equally distributed as it is today and it will become.

I'm not at all in the camp of the United States having lost influence, the United States being on decline, or the west being on decline. I'm of the view that we are seeing an alteration of global political power that will have consequence for us and the United States, etc. That shouldn't be viewed in an alarmist way or in a nostalgic recall of the past. There's so much that one could point to that is actually good. We are seeing economic growth in the developing world at a rate and in a dimension that we hadn't anticipated 15 or 20 years ago. We are seeing the growth of transparency and institution-building in a number of countries that we had talked about wishing for. Now we see it.

I think institutions will have to adapt, and global power will certainly be more diffused. That is a call for greater leadership in certain countries, of which the United States will be top on my list for seeking global leadership on global solutions.

● (1700)

The Chair: Mr. Taylor, were you going to answer that? Go ahead.

Mr. James H. Taylor: If there's time.

The Chair: You have a few minutes.

Mr. James H. Taylor: We lived for a greater part of the post-war period in the Cold War. The Cold War placed a premium on loyalty to alliances, and it tended to freeze a certain power situation. That contributed to the special position the United States and the Soviet Union, as it was then, occupied. Of course that whole world, that framework, disappeared 20 years ago. Part of the diffusion of power is the consequence of the disappearance of the Cold War.

Power is undoubtedly shifting in the world in the ways Peter Harder has described, but I would think for all that, when we get past the present turmoil—as we all hope to—it will still appear that the United States is the most powerful country in the world. And whether it's relatively less powerful five years from now than it was five years in the past, nothing is going to change the fact that we will still be living next door to it.

The Chair: Thank you, Mr. Taylor.

Mr. Dewar.

Mr. Paul Dewar: Thank you, Mr. Chair.

I wanted to pursue a bit more some of our strategic relationships with the United States.

Maybe I'll start with you, Mr. Harder. You were talking about the G8 and the G20. By and large, they have been arrangements for economic discussions and trade, but hopefully there are new winds blowing in Washington when it comes to another fairly significant global institution, and that's the UN. Canada is presently seeking a seat on the Security Council, and there's some European competition.

How can we engage—and should we engage—the Americans when it comes to the United Nations? If you think that's a worthwhile project, maybe you can give us a couple of ideas on how to do that. Obviously the advantage for us would be any way they can help us secure a seat on the Security Council, but I'm not sure they're the ones we need to convince. In fact, I know it isn't the U.S., but perhaps you can help us with how we can help re-engage the Americans with the UN.

● (1705)

The Chair: Mr. Harder.

Mr. Peter Harder: I'm encouraged by what President Obama said in his campaign and what he has said so far, and in the advisers around him, some of whom have been academics and experts on exactly that question, including his ambassador to the United Nations, who is of cabinet rank. I think that reflects his view that the United Nations is the high table of multilateralism. It has huge challenges in exercising that role, but that's only because it reflects the world.

I think it's very important for Canada to seek the Security Council seat. I hope we win. If we do not, I think we should take some time to reflect on what is it and why is it that we haven't been successful, but let's operate on the assumption that we ought to be successful in that campaign.

I would argue that to be successful in that campaign, we have to be global, realist, and internationalist. That is to say, we will beat out Portugal if, in the candidacy, we bring to the table ideas for the United Nations, just as we did last time. We ran it as a campaign, where it wasn't just "vote for Canada because every 10 years we're on the Security Council". We came with some issues that we wanted to deal with, one of which was blood diamonds in Africa. Bob Fowler, whom we are all remembering, was very active in his tenure.

You must have ideas and you must have the global network of foreign policy engagement to secure the votes and to be listened to. You have to be realist in what the agenda is that you would wish to put forward. I think it will be important for Canada, in its campaign, to be very clear about why we want to be on the Security Council and what issues we want to bring leadership and Security Council focus to in our two-year period, and to make that transparently known and broadly reflective of our foreign policy approach.

You don't get it just for a good past.

The Chair: Mr. Taylor, please.

Mr. James H. Taylor: I was one of the representatives who did the arguing the last time we campaigned for election to the Security Council. It was a very carefully orchestrated affair. It took a lot of effort. I think that's an essential part of what we've embarked on. There are good models to work on, because we had considerable success the last time, so I'm sure that the basis on which the government is working now has been well laid. That's one point.

Another point is that while I don't know quite what the politics are this time, one of the difficulties about persuading some of our European friends the last time was that they have a commitment to vote for each other. You argue Canada's case against that with as much success as you can muster. I was the one who had to do the arguing, and I didn't win them all.

The Chair: Thank you, Mr. Taylor.

Thank you, Mr. Dewar.

We'll go to Mr. Abbott quickly and then Mr. Goldring.

● (1710)

Hon. Jim Abbott (Kootenay—Columbia, CPC): Considering some vexatious reports about where many of the countries in the world are going—Latvia to name one, and then go down that list—considering the limitations we now know the IMF and the World Bank have, comment.

Mr. Peter Harder: The economic crisis that we are working ourselves through is, in my mind, the first economic crisis of the modern globalized era. You get up in the morning and the first news you hear is what the Nikkei did last night and what's going on in Europe. And they wake up to what has happened in North America. The markets are a 24/7 phenomenon, and the supply chains that we have come to understand are global have, in the downturn of the economy, ricocheted back through that global supply chain. So you see what has happened in China as exports to the United States have fallen and they're doing some things to stimulate domestic demand.

But my comment is that we are not through this. Everything is linked, and therefore the chain is still reverberating around.

When it comes to Latvia and Iceland—and people are talking about Greece, and there's a bit of a list of countries whose fiscal capacity is reaching its wall—there is a lot going on at the G7 and at the G20 finance level to see how we deal with this with the tools we have. The IMF has, I think, spent around $50 billion and probably has reserves of about $350 billion. To know whether that's adequate in the face of what we will see, speak to some of the financial guys. Canada has been a proponent of IMF reform, and for an institution that was thought to be less relevant today than it once was, its relevance is back, because of the situation being faced in a number of countries.

The final point I'd make is this. It is interesting how many of the countries at risk are European countries, are members of the European Union or aspirants to the European Union. That at least would provoke some question around what is happening in the neighbourhood to stabilize the economic institutions, in the first instance anyway. We're talking about banks that are not domestic banks, but out-of-country banks and the like.

So my bottom line is that we don't know, and we are working our way through what will be a series of perhaps surprises and reverberations through various aspects of the economy, from financial to manufacturing to fiscal. I think it is in our interest to be actively engaged not only in monitoring but in working on some of the policy solutions with like-minded economies.

The Chair: Thank you, Mr. Harder.

Mr. Pearson.

Mr. Glen Pearson (London North Centre, Lib.): Thank you.

I have two quick questions for Mr. Harder. Mr. Taylor talked about, with the coming of the Obama administration, a kind of going back to first principles on this Afghanistan mission and focusing and doing it more. I would like to ask, since that is the case and Canada is trying to think of what its next role will be on the development model, how we have to walk that line, considering they're narrowing it down. That's one question.

The second is this, Mr. Harder. You talked about how the foreign policy infrastructure we have here in Canada at the moment is deficient. There are some breakdowns to it. I wonder if you have some pointers you could give us as to how to build that back up.

Mr. Peter Harder: On Afghanistan, I think we, along with the other countries engaged in the development work, are learning an awful lot about what works and what doesn't work. That is going to help inform, as we move forward not only in Afghanistan but perhaps in other similar situations of fragile states, the criteria that we need from the host government.

My concern in post-2011 is what the security environment will be like for development to take place. It's all very good to say we will continue to have a development presence and a diplomatic presence, but the precondition of that being effective is a security situation that allows development to take place. I think we have quite an agenda between now and 2011 to provide that assurance.

The Afghanistan Compact envisaged reports, and those reports are being prepared and what not. I think we need to perhaps strengthen our capacity to look honestly at what is working from a national perspective and from a multi-national perspective and what isn't.

With respect to the institutions, I guess I am one who would argue —and I know it's a cliché, but I believe it's really important—that we need to be more whole-of-government in our international engagement. That requires, by definition, more players than there have been historically on issues of "foreign policy", because issues that are domestic have become those of foreign policy. But you also have to have leadership that is able to exercise coherence and help achieve that whole-of-government approach. I believe that we have to strengthen our presence abroad. We have to have language capacity in the countries of the future and not just the countries of the past. We have to have the capacity to deal with the issues that will speak to our security and economic well-being for the future and have greater intelligence capacity in terms of failed and fragile states.

● (1715)

The Chair: Thank you very much.

This is quite odd. Today everyone has been able to ask a question.

Go ahead very quickly, Mr. Goldring, because I do have one question I would like to ask as well.

Mr. Peter Goldring: Okay, I will be very quick.

It's back to the nuclear weapons. Of course we know that Canada had nuclear weapons on our soil. We didn't make them, but we had them. We have now rejected nuclear weapons, and so has the Ukraine, and other countries have too. You mentioned that you can develop this type of policy for the recognized countries and the recognized states. I'm wondering if you have some thoughts on how you would foresee that there could be any type of control for third party use, for the non-state actors who might acquire these weapons. What can you possibly do about that?

Mr. James H. Taylor: You're saying for non-state actors?

Mr. Peter Goldring: Yes. We know, for example, with regard to Afghanistan that the Taliban really cross borders. Are they of a particular state or not? Are there other terrorist groups or sub-elements that really are not countries per se but are organized groups that could come into possession of these?

Mr. James H. Taylor: This goes to the question of a better control system. There really is quite a good basis in the system that exists under the IAEA, but as proliferation risks increase to keep weapons out of the hands of, for instance, non-state actors, you'd have to envisage even stricter and more careful controls than we have at present, and it's going to mean more money and more intrusion into national affairs. To give you an example, in a number of countries a civil nuclear power program, which you must assure is just that and not being abused for the purpose of clandestine production of nuclear weapons, might well be in the hands of the private sector. So if you have an international control system, you have to have one that envisages controlling not only governments but the private sector in some countries as well. And there a set of problems arise, additional complications and so on.

That's just one example. But in order to keep weapons out of the hands of non-state actors it really has to be an airtight system, and what we have at the moment, as the history of proliferation originating in Pakistan, for instance, would demonstrate, is by no means airtight.

● (1720)

The Chair: Thank you. I do have a couple of questions.

First of all, Mr. Harder, I think it was you who talked about the lobbying or the campaigning for the Security Council and how we have to be global, how we have to be realist and we need ideas. What would be your top three ideas for a campaign toward the Security Council, remembering that some of the main issues that we campaign on here may not win approval somewhere else. So what are the three major campaign ideas that you would come up with?

And second, earlier in your presentation you talked about the quarterly meetings between George Shultz and our foreign affairs minister at that time, who probably was Mr. Clark, if I'm not mistaken. Was that an initiative of Mr. Shultz, was it just something that bilaterally was worked on? You talked about the personalities. We have different personalities now. Secretary Clinton and Minister Cannon had a very good meeting last week, and I think there could be some very positive things that come out of it. Is this something we should really push? And back when President Reagan and Prime Minister Mulroney, I guess it was, met, as you said, we didn't have the same dynamic with as much provincial involvement as we have now. Would we diminish the provinces' role by expanding our federal role bilaterally with them? How can we work with our provinces to build on that relationship?

Mr. Peter Harder: Let me start with the first question.

Just off the top of my head, in terms of what are the ideas we could build upon, we're coming to the testing point at the Security Council—if we win—of the end of the MDG goals, the millennium development goals. I would think we ought to have a strategy of how we are going to contribute to closing the gap on the MDGs, which can speak to global health issues. And we have a good record on which we can advocate and build, speaking to some of the work we have done over the last number of years in Africa and have continued in the last while. So I would say, what are we going to say about the MDGs?

The second is how we would articulate the Security Council's role in the new paradigm of global security, of non-state actors, fragile states, and the like. Again, I think we can come to that discussion informed by our experience in Afghanistan and Haiti, where Canada has had a number of years of active engagement.

Perhaps as a third volley, I think we could speak with some credibility on issues of transparency and governance within the United Nations itself—remember Canada chaired the subcommittee of the General Assembly that dealt with administration within the UN—but also transparency and governance issues within global institutions. And here I go back to Mr. Abbott's question with respect to the IMF and the like. How is global governance altering, and what is the Security Council's role in it?

Those are three. I'm sure there are others, and perhaps better ones, but I do think the member's question was a very useful one to sharpen up the question, what's our campaign? Why do we want to be there? And it's not just because historically we've been there, but what do we want to contribute?

With respect to Mr. Shultz and my comment about tending the garden, he certainly, in my recollection.... I couldn't tell you where the idea came from, but I suspect that wherever it came from, it only worked because Secretary Shultz said he wanted to do it, that they would respond. I believe it happened not just because of the personalities, but also because of the agenda. I've talked to Mr. Shultz about it, and he said he got irritated when they were talking about South Africa or differing views on Central America. But he said he learned a lot. I would point out that we let quiet diplomacy take its part. I'm not saying we shied away from saying what our view on South Africa was, but I don't think we publicly went and said, well, I think we'll beat up Mr. Shultz on South Africa today.

So the relationships are important; the regularity of them is. I think Canadians sometimes forget that the European foreign ministers and line department ministers see each other.... If a week goes by without their seeing each other, it would be rare. An American Secretary of State does not have to worry about being in question period and does not have to seek permission for whether or not an aircraft is available.

● (1725)

I'm only making the point that we have constraints on our foreign ministers—and I'm not just talking about the Minister of Foreign Affairs, but also the ministers active in a global approach to Canada—that prevent us from being as active and as present as we ought to be. Minority Parliaments actually make that even more constraining, by virtue of votes and the like, and that actually makes Canada less of a player. Ministers have to be engaged outside of Canada for the global agenda, or it's just talk among the bubble of Ottawa.

The Chair: The provincial role there is mainly trade, and so the discussions that—

Mr. Peter Harder: Sure. The provincial role is actually quite important. We've had premiers' visits and they've become quite global. Premier Campbell has made I don't know how many visits to China in the last number of years, and I think that is really an important contribution to sustaining our political relationships in China. The Canada China Business Council took a delegation of five premiers and business people to China in the fall as part of that. And I referenced earlier how premiers are active in the U.S.-Canada relationship, not just with trade missions, but they are invited by northern governors, western governors, the Great Lakes governors—all important fora for Canadian causes to be advanced.

There may well be occasions when we would want to be a little more coordinated in the message we're sending. I would advocate, for example, regarding the working group on energy, that Alberta should be there in respect of its interests in energy in the North American context, which are quite unique.

The Chair: Thank you, Mr. Harder.

Mr. Taylor.

Mr. James H. Taylor: On provincial participation, it's a difficulty, of course, because of the nature of our Confederation. We've struggled with it from the beginning, how best to accommodate provincial responsibilities and provincial interests. We had to do this, for instance, from the time UNESCO was formed, because of provincial responsibilities under our Constitution for education, and a formula was found for dealing with that. In the same way, in la Francophonie, for a long time there was a serious issue about the ability of provincial representatives to speak at the table, and finally a formula was found for that.

Our institutions have, over time, proven flexible. One of the most difficult cases, though— maybe the hard case that makes bad law, I don't know—is always relations with the United States, because there you really do see the possibility. And we can think of historic examples where, if you have separate provincial representation in Washington, you risk running two foreign policies, one being run in Washington with the administration and the Congress by a province, and the other by the federal government. They're not necessarily congruent, and it's an invitation to be whip-sawed. You expose yourself to manoeuvring by the other side to take advantage of your weak national position.

So one of the morals of the story is that we have to make up our own mind about national policies and try to arrive at a unified position.

So far as mechanisms are concerned, there have been attempts in the Canada-U.S. context, again going back many years, to create standing ministerial committees, and for some reason or other, that formula never quite seems to last. You get a group of ministers together under a particular government and they're prepared to give it a go, and they do for a while. Then over time it fades away. I think that is just the practical matter, as much as anything else, that it's very hard to get three or four ministerial schedules to coincide.

So one of the morals of the story is that you're perhaps better off not to attempt anything as ambitious as that, and if you could have, above all, regular meetings at the highest level, at the level of the President and the Prime Minister, and then perhaps at the level of Secretary of State and Minister of Foreign Affairs, if they were regular consultations, that's about the optimum structured formula you can hope for.

When it actually comes to negotiating something with the United States, the lesson is that we have to sometimes, if it's an important issue...and we are confronting some important issues, the whole energy-environment complex, for instance. If it actually comes ever to negotiating with the United States about that, my own view is that will take the re-creation of special machinery. It would be machinery that breathed the whole of government philosophy, but it would be set up specifically for the purpose of the negotiation, and it would involve mechanisms for regular provincial participation and, indeed, for participation on a regular basis of all interested groups that could claim a place. I think the model for that was the free trade negotiation machinery.

● (1730)

The Chair: Thank you very much. We've gone the full two hours and a little bit. We do appreciate your coming. On behalf of the committee, we want to thank you for your candour and for your wisdom. We appreciate it very much.

We are going to adjourn. I would remind those members of the steering committee that we do have a meeting. I believe it is at 11 o'clock, so keep that in mind.

The committee is adjourned.

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