

## THE AMERICAN NATIONAL INTEREST IN QUEBEC AND CANADA

BY CHRISTOPHER SANDS

American foreign policy regarding Canadian unity, and specifically the possibility of Quebec independence, has traditionally been summarized by a phrase that has become known as the Mantra: "The United States enjoys excellent relations with a strong and united Canada. The future of Canada, however, is for Canadians to decide."

This position of mildly pro-unity public detachment was sharpened during the referendum in several statements by senior United States officials. President Clinton praised Canada's tradition of respect and tolerance for cultural diversity and toasted a united Canada during his February 1995 state visit to Ottawa. Secretary of State Warren Christopher remarked, in the heat of the referendum campaign, that the complex architecture of United States-Canada relations, based on numerous treaties and agreements, would be very difficult to reconstruct in a bilateral relationship between the United States and an independent Quebec. In so doing, Mr. Christopher acknowledged the position of most American experts on international law and United States diplomatic practice, that Quebec is not likely to be treated as a successor state to Canada if it became independent and would, therefore, be required to negotiate access to existing treaties if it wished to retain the benefits it enjoyed as part of Canada. Ambassador James Blanchard stressed publicly that the United States had offered and would offer no as-

surances regarding membership in the North American Free Trade Agreement (NAFTA) for an independent Quebec.

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However, debate in Canada and Quebec over the possible United States response to Quebec's independence continued, despite the changes made to the American public line. Voters in Quebec have become as cynical as those elsewhere in North America, and many dismissed the statements of our policymakers as threats or "politics-as-usual" attempts to affect the outcome of the referendum. This is not the case—these statements by American officials simply acknowledged the limitations on our ability to respond should Quebec become independent. Therefore, while the subtle, but real shift in United States policy is a step forward, it is necessary to go further and be explicit on those issues where American flexibility is non-

existent.

### THE NATIONAL INTEREST AND UNITED STATES POLICY OBJECTIVES

The United States must begin by defining clear political and economic objectives for our Canada policy, or the substantial American interests in Canada will fall prey to the negative effects of drift. The United States will not be the victim of decisions made in Canada unless we abdicate responsibility for the protection of American interests to decision makers in Canada.

First, the United States' interest lies in a democratic decision process because nothing less can bring about a final resolution to this dispute that will be acceptable to all sides.

Second, American policy must seek to assure to Canadians that the United States is informed about the situation in Canada and that it is prepared to react responsibly.

Third, United States officials must explain to Canadians the limitations on our ability to respond if Quebec should become independent.

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We cannot expect that ordinary Canadians understand our system of government any

better than we understand theirs, and so it is worthwhile to draw attention to the roles that Congress and the administration must play in American policy. For example, as any member of Congress knows, the President of the United States cannot unilaterally extend trade benefits to even our best trading partners. We must make clear that we cannot automatically continue to grant NAFTA treatment to Quebec if it leaves Canada and that this is not negotiable in advance of congressional authorization. When all Canadians understand the fixed aspects of the American position, they will be better able to make informed decisions about their future, be it together or apart.

The status quo of United States-Canada relations has been enormously beneficial for the citizens of both countries. If there is to be change, the primary objective of American policy must be to promote a smooth transition process involving the minimum amount of deviation from the status quo acceptable to Canadians on all sides. Some of the possible, but not yet probable, scenarios should be taken primarily as warnings, to reinforce the importance of fostering the quickest possible return to stability. The United States should do everything in its power to reassure Canadians outside Quebec and to dissuade them from abandoning Canada in the potentially traumatic aftermath of Quebec's departure.

With these policy objectives in mind, I will now address some specific steps that can be taken soon to improve the United States' policy position in advance of the next crisis for Canadian unity. These include making our

current position more clear to Canadians and planning to respond in support of a stable, smooth transition in the event of change.

#### BEFORE ANOTHER CRISIS

To strengthen our current policy position, in the event of another Canadian unity crisis, whether prompted by a referendum or other measure, the United States should consider taking the following specific steps:

*The United States should clarify its position on whether Quebec would be considered a successor state to Canada, inheriting Canada's rights and obligations under treaties and agreements with the*

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*United States. Secretary of State Christopher's statement during the 1995 referendum campaign that the complex architecture of the United States-Canada relationship would be difficult to reconstruct suggested that the United States might not grant an independent Quebec successor state status, consistent with American diplomatic practice elsewhere. This is not a small consideration for Canadians living in Quebec, and unless the State Department considers this point negoti-*

able, it should send a stronger signal that an independent Quebec would not be considered a successor state to Canada.

*The United States should, in concert with its NAFTA partners, issue a clear statement on the process by which a country will be considered for accession to NAFTA. Many Quebec voters are under the mistaken impression that NAFTA is a kind of "safety net" that would preserve the preferential access they now enjoy to the American, Canadian, and Mexican markets.*

*American influence should be employed privately to discourage unilateral moves by responsible parties on all sides which might attempt to impose a solution. The United States will benefit from the end of the instability and tension generated by the debate on Quebec's status and Canada's future, whether it comes as a result of a successful negotiation or popular resignation. However, we must not impliedly adopt a "peace at any price" position that could lead us to place pressure on the parties to come to terms that would later prove unacceptable to the wider publics in Canada and Quebec.*

All of these steps are best taken before another referendum is called or some other measure is taken to bring this issue to the fore in Canada. Otherwise, such moves will not be credible in the eyes of Quebec nationalists, who may suspect that they are being taken in support of the federalist cause. The objective of American policy in this case is not to scare Quebecers, but to level with them, so that they can make any future decisions about their place in the world fully aware of the potential consequences.

#### SHOULD QUEBEC ESTABLISH INDEPENDENCE

It is not yet certain that the majority of Quebecers will find it impossible to reconcile their differences with the rest of Canada. However, markets and ordinary citizens often react to rumour when faced with a frightening degree of uncertainty. Should Quebec resort to independence, however, the United States must be prepared to repair the breach in its trade relations with Quebec and to provide any assistance necessary to aid Canadians during the transition, including supporting the unity of the rest of Canada.

*The United States should signal that it does not favour changes in the present boundaries of Quebec that might severely damage its economic viability as an independent country.*

Several concrete steps should be considered by United States policymakers in preparation for this potential crisis, such as:

*The President should request authority from Congress to negotiate a limited, bilateral trade agreement with Quebec covering only those sectors where American investment and commercial interests have been seriously hurt by the break. This would be a provisional arrangement to protect American interests only, not an attempt to extend broad new benefits to Quebec, nor an attempt to restore NAFTA-equivalent access for*

Quebec to the American market. As a second step, the United States should consider sponsoring Quebec's admission to the WTO to allow for a broader framework for bilateral trade and investment. NAFTA membership, while not inevitable, could be considered at some point in the future if it would be of benefit to American interests and the support of other NAFTA members were likely.

*The United States should signal that the remaining Canadian provinces should continue to deal with the United States through the federal government in Ottawa and discourage any province that might seek its own independence. In this respect, American officials should caution Canadians outside Quebec that, by seeking a bilateral trade agreement with Quebec, the United States does not commit itself to the same for all provinces that seek recognition as independent countries. Each such negotiation will require separate authorization from Congress.*

*The United States should signal that it does not favour changes in the present boundaries of Quebec that might severely damage its economic viability as an independent country. Some in Canada have suggested that northern Quebec remain part of Canada, which poses little risk to American interests. The status of all or part of Montreal, however, would directly affect the economic prospects of an independent Quebec and set up a region of political and economic instability close to the borders of New York State that could pose serious issues for the United States.*

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*The United States, working with international financial institutions and major allies, should be prepared to refinance Canada's international debt, to allow it to continue to service debt while Quebec's contribution is uncertain or under negotiation. This will reassure bond markets that the United States will not permit the collapse of the Canadian economy in the aftermath of Quebec independence and will further discourage other provinces from abandoning Ottawa.*

*The Clinton administration took American policy on Canada partially into the daylight, by strengthening its statements in support of a united Canada and hinting at some of the consequences of Quebec separation. Unfortunately, this shift has left American policy exposed to misinterpretation by Canadians on all sides of the unity debate.*

*The United States should be prepared to lead an international effort to support the Canadian dollar, which is important in the short run to Canadians and Quebecers, who will continue to hold Canadian dollars in the days after*

independence.

**WHY CHANGE NOW**


The traditional American position kept United States' policy in the shadows. Some will argue that it was better for the United States to operate in this way, as we have in the past. The Clinton administration took American policy on Canada partially into the daylight, by strengthening its statements in support of a united Canada and hinting at some of the consequences of Quebec separation. Unfortunately, this shift has left American policy exposed to misinterpretation by Canadians on all sides of the unity debate. Today, the United States faces a strategic choice between a retreat to the shadows and taking a step further into the light of day by clarifying the core of the American position should Quebec separate.

Retreat to the shadows of our former position is probably impossible. United States officials' statements during the referendum clearly reflected American interests and constraints on our policy options. To suggest now that we are truly indifferent, or to attempt to withdraw our concerns over trade agreements, would render the rest of the infrastructure of the United States-Canada relationship not credible in Canada.

Of course, it is also possible to attempt to continue the current balancing act in the hope that we can escape paying a price when Canadians misunderstand our intentions. The problem with this option is that its weakness will not become widely apparent until we are once again faced with a crisis of Canadian unity, and then our policy options will be limited. Our current position

leaves American interests vulnerable to being misunderstood.

The fact is that something profound happened during the 1995 Quebec referendum. The United States, for the first time, became publicly engaged in the Canadian unity debate. Canadians, especially Quebecers, began to debate the American role in resolving this crucial question. If we fail to articulate our interests and the goals of our policy on this matter, Canadians and Americans will be forced to guess, and may assume the worst—that the United States cannot be relied upon in this crisis—and they, and the international financial markets, will act accordingly. When that happens, every American who works for a company that does business in Canada, and every American with family and friends there, will share in the suffering, all of it unnecessary.


We have nothing to fear if we will be forthright. Canadians are our friends, whether they live in Quebec or elsewhere, whether they vote for the independence of Quebec or not. The future of Canada is for Canadians to decide. Our obligation to them, and to the American people, is honesty about both our intentions and our limitations. 

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the private sector, extensive cradle-to-grave social welfare and health systems, and a very circumspect and limited role for their nation in world affairs. The "fit" between Canadians and American residents would be strained at best and, quite frankly, each side would be better off if current national boundaries were to remain intact.

In conclusion, the economic interests of the United States are best served by Canada remaining united as a nation-state and maintaining its national economic union. Some concessions can certainly be made by Ottawa and the nine other provinces to the citizens of Quebec, especially to the French-speaking majority which wants greater guarantees in terms of the preservation of its language, culture, and distinctive civil code. However, these concessions must not be so drastic that they result in a highly decentralized federal system which would jeopardize Canada's economic union and hamper Canada's competitiveness regionally and globally.

It is to be hoped that Canadians will find an equitable solution to their unity problems within the next few years, because the sooner this issue is resolved and national unity preserved, the brighter the economic prospects will be for American businesses and workers. 

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