

SUBNATIONAL GOVERNMENTS AS INTERNATIONAL ACTORS

Constituent Diplomacy in British Columbia and the Pacific Northwest

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THE SCOPE OF INTERNATIONAL RELATIONS has expanded dramatically as global interdependence has increased, encompassing "new" policy areas such as environmental pollution, human rights, immigration, monetary and trade instabilities, and sustainable development. Unlike traditional strategic/security matters, these new issues are *intermestic* in nature; that is, they are "simultaneously, profoundly and inseparably both domestic and international."¹ It is therefore not surprising that subnational actors at the provincial and municipal levels have become increasingly involved in international activities. Political scientists often use such terms as *paradiplomacy* and *constituent diplomacy* to distinguish these international activities of subnational governments from the more traditional nation state diplomacy.² As John Kincaid has noted, to date "there is no settled terminology describing the international activities of constituent or 'subnational' governments."³ For him, "constituent diplomacy is intended as a neutral descriptor, one that avoids the implication that the activities of constituent governments are necessarily inferior, ancillary, or supplemental to the 'high politics' of nation-state diplomacy."⁴

In the first part of this article, we present a typology to illustrate the varied forms of international relations conducted by provincial

¹ Bayless Manning, "The Congress, the Executive and Intermestic Affairs: Three Proposals," *Foreign Affairs* 55 (June 1977): 309.

² See, for example, John Kincaid, "Constituent Diplomacy in Federal Politics and the Nation-State: Conflict and Co-operation," in Hans J. Michelmann and Panayotis Soldatos, eds., *Federalism and International Relations: The Role of Subnational Units* (New York: Oxford University Press, 1990), 54-75; and Panayotis Soldatos, "Cascading Subnational Paradiplomacy in an Interdependent and Transnational World," in Douglas M. Brown and Earl H. Fry, eds., *States and Provinces in the International Economy* (Berkeley: University of California, Institute of Governmental Studies Press, and Kingston: Institute of Intergovernmental Relations, Queen's University, 1993), 65-91.

³ Kincaid, "Constituent Diplomacy," 74.

⁴ *Ibid.*

governments in Canada and state governments in the United States; and we examine factors at the global, national, subnational, and individual levels that affect provincial international relations. To assess the significance of these factors, we then turn to an examination of policy phases in British Columbia's development as an international actor. The British Columbia case provides some indication of both the possibilities for, and limitations of, subnational "constituent diplomacy."

A TYPOLOGY OF PROVINCIAL/STATE INTERNATIONALISM

With the growth of interdependence, theorists had to develop new concepts and terminology to describe the increasing range of actors involved in international relations. Thus, Robert Keohane and Joseph Nye introduced the term *transgovernmental relations* to describe "direct interactions between agencies (governmental subunits) of different governments where those agencies act relatively autonomously from central governmental control."⁵ While Keohane and Nye viewed transgovernmental relations as occurring primarily between bureaucratic subunits of national governments (e.g., between departments of environment in countries A and B), their definition can also include provinces, states, or cities that act relatively autonomously from senior governmental control. Keohane and Nye defined *transnational relations* as "interactions across the border in which at least one actor is nongovernmental."⁶ This definition can be used to describe the cross-border interactions of a provincial or state government with nongovernmental actors such as multinational corporations. A number of transgovernmental and nongovernmental organizations in British Columbia and the Pacific Northwest are discussed below, including the Pacific Northwest Economic Region, the Pacific Corridor Enterprise Council, the Cascade Corridor Commission, and the Georgia Basin (Puget Sound) Initiative.

Figure 1 of our typology illustrates the transgovernmental and transnational interactions of provincial/state government "A" as a *primary actor*. Subnational governments are primary actors when they

⁵ Robert O. Keohane and Joseph S. Nye, Jr., "Introduction: The Complex Politics of Canadian-American Interdependence," in Annette Baker Fox, Alfred O. Hero Jr., and Joseph S. Nye Jr., eds., *Canada and the United States: Transnational and Transgovernmental Relations* (New York: Columbia University Press, 1976), 4.

⁶ *Ibid.*

engage *directly* in global relations.⁷ As Figure 1 shows, a province's or state's cross-border interactions may be *egressive flows* from the inside out or *ingressive flows* from the outside in.⁸ Alternatively, the flows may occur in both directions simultaneously. A provincial/state government may have cross-border relations with governmental and private actors at the international, national, provincial/state, and municipal levels. Domestic factors influencing a provincial/state government's global interactions stem from horizontal linkages with other provincial/state governments and from vertical linkages with the federal government (as well as from a changing public policy agenda).

Figure 2 of our typology illustrates the intermestic interactions of provincial/state government "A" as a *mediating actor*. Mediating actors seek to influence their national governments for the purpose of promoting "general policies that are beneficial to local conditions in such areas as trade and foreign investment."⁹ Figure 2 shows that provinces/states may also interact with each other (through horizontal linkages) in efforts to influence federal government policies. Depending on whether a province is a primary or a mediating actor, its domestic and international interactions may be cooperative, competitive, or conflictual.¹⁰ Several of the policy phase cases below illustrate this point. Provinces often become primary actors when they are dissatisfied with national policies or are unsuccessful in altering national policies through mediating activity. Primary activity is also appropriate for a variety of regional issues that are of immediate relevance to subnational governments. In contemporary British Columbian terms, the province's efforts during 1996 to gain more control over its Pacific Coast fishery is a case in point.¹¹ Primary and mediating activities are not mutually exclusive, and provincial governments often engage in both types of behaviour simultaneously.

⁷ Brian Hocking, "Regional Governments and International Affairs: Foreign Policy Problems or Deviant Behaviour?" *International Journal* 41 (Summer 1986): 484.

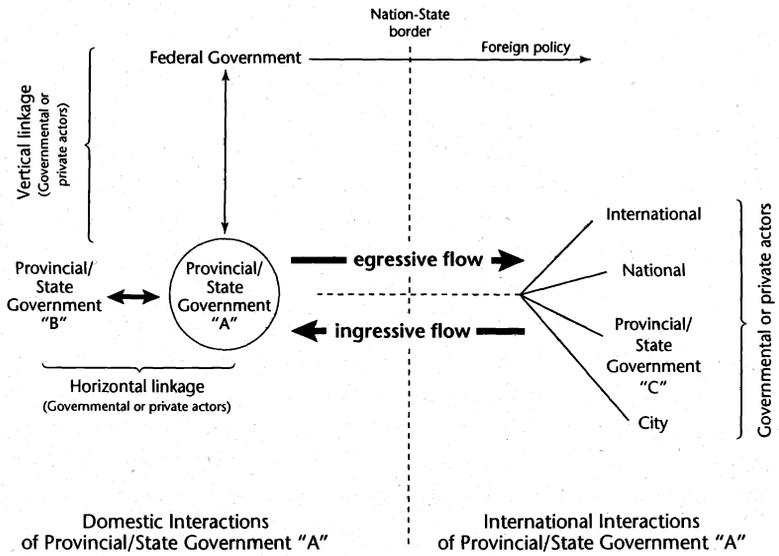
⁸ The terms "ingressive" and "egressive" are taken from Ivo D. Duchacek, *The Territorial Dimension of Politics: Within, Among, and Across Nations* (Boulder, CO: Westview Press, 1986). However, Duchacek does not define them consistently (see pp. 208-9 of his study). *Webster's New International Dictionary* (2nd edition) defines "egress" as "to go out, to issue forth," and "ingress" as the "act of entering; entrance."

⁹ Hocking, "Regional Governments," 484.

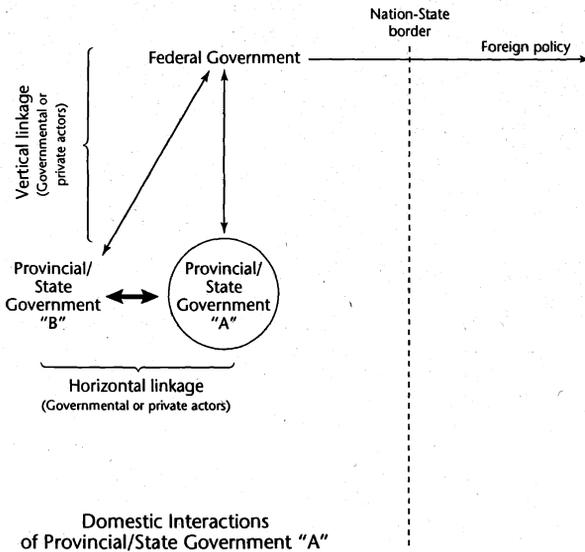
¹⁰ Cooperation and conflict often co-exist. Furthermore, some competitive situations are relatively "friendly," while others are more closely associated with conflict. For a detailed examination of the relationship between these three variables, see Theodore H. Cohn, *The International Politics of Agricultural Trade: Canadian-American Relations in a Global Agricultural Context* (Vancouver: UBC Press, 1990), chs. 1 and 8.

¹¹ See, for example, Daphne Bramham, "Premier Will Demand Provincial Control Over Fishery," *Vancouver Sun*, 25 May 1996, B3. The fishery is a federal government responsibility.

Intermestic Interactions of Provincial/State Government "A" as a Primary Actor



Intermestic Interactions of Provincial/State Government "A" as a Mediating Actor



We have applied the intermestic relationships depicted in Figures 1 and 2 elsewhere in a detailed examination of cities as subnational global actors.¹² Reference to this typology is useful in examining the factors influencing provincial international relations.

FACTORS INFLUENCING PROVINCIAL INTERNATIONAL RELATIONS

Kenneth Waltz and J. David Singer first alerted international relations specialists to the importance of explaining international behaviour in terms of different levels of analysis in the 1950s and 1960s.¹³ The factors influencing provincial international relations can be categorized as global, national, subnational, and individual, although there is overlap across these four levels. A major *international factor* relates to advances in technology and the associated growth in interdependence. Technological advances have contributed to "an interdependence of local, national, and international communities that is far greater than any previously experienced."¹⁴ As a result, leaders of subnational governments have become "acutely aware of the influence which international actors . . . can have on the economic well-being of their constituencies."¹⁵ The success of these leaders in attracting investment, trade, and tourism can contribute both to the economic vitality of their provinces/states and to their re-election. This is increasingly evident in the global policy stances of the province of British Columbia.

Subnational governments have become involved internationally for

¹² For an in-depth analysis of this typology as applied to cities, see Theodore H. Cohn and Patrick J. Smith, "A Typology of City-Based International Involvement: The Case of Vancouver," in *Processus d'Internationalization des Villes*, Conference Proceedings (Lyon, France: Groupe Nice, MRASH, 1990); Patrick J. Smith and Theodore H. Cohn, "International Cities and Municipal Paradiplomacy: A Typology for Assessing the Changing Vancouver Metropolis," in Frances Frisken, ed., *The Changing Canadian Metropolis: A Public Policy Perspective*, vol. 2 (Berkeley: University of California Institute of Governmental Studies Press, and Toronto: Canadian Urban Institute, 1994), 613-55; and Theodore H. Cohn and Patrick J. Smith, "Developing Global Cities in the Pacific Northwest: The Cases of Vancouver and Seattle," in Peter Karl Kresl and Gary Gappert, eds., *North American Cities and the Global Economy: Challenges and Opportunities* (Thousand Oaks, CA: SAGE Publications, 1995), 251-85.

¹³ See Kenneth N. Waltz, *Man, the State, and War: A Theoretical Analysis* (New York: Columbia University Press, 1954); and J. David Singer, "The Level-of-Analysis Problem in International Relations," in Klaus Knorr and Sidney Verba, eds., *The International System: Theoretical Essays* (Princeton, NJ: Princeton University Press, 1961), 77-92.

¹⁴ See James N. Rosenau, *Turbulence in World Politics: A Theory of Change and Continuity* (Princeton, NJ: Princeton University Press, 1990), 17.

¹⁵ Earl H. Fry, "The Economic Competitiveness of the Western States and Provinces: The International Dimension," *American Review of Canadian Studies* 16, 3 (1986): 301.

defensive as well as proactive reasons. Provincial policies that were previously considered domestic are now often subject to international scrutiny. For example, a wide array of provincial/state government subsidies and procurement policies could be considered trade-distorting under the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT) Uruguay Round agreement. Canadian provinces and US states (and also many municipal jurisdictions) therefore have a direct interest in the terms and implementation of international agreements.

Provinces sometimes respond to globalization with *global para-diplomacy*, which deals "with issues concerning the whole international system (e.g. peace and war, liberalization of international trade)." More commonly, however, provinces engage in *regional paradiplomacy*, which concerns issues "of a regional relevance to the communities taking part in a subnational activity."¹⁶ Some political scientists, such as Panayotis Soldatos, identify two types of regional paradiplomacy: *macroregional*, which involves non-contiguous communities (e.g., British Columbia and Japan), and *micro-regional*, which involves a degree of geographical contiguity (e.g., British Columbia and the Pacific Northwest states). Micro-regional paradiplomacy often occurs between communities with common boundaries (e.g., BC and Washington State).¹⁷

National factors influencing provincial international relations include the declining ability of central governments to find adequate solutions for many major problems. This incapacity stems partly from the growing importance of new intermestic issues that are not completely within a nation state's jurisdiction (e.g., environmental pollution, terrorism, currency crises, and AIDS) and partly from the fact that older domestic issues are increasingly linked with international components. Examples of such older issues include agriculture and labour, which have recently contributed to controversy over trade liberalization negotiations at both global and regional levels (e.g., in the GATT and NAFTA negotiations) in the mid-1990s.

The possession of sovereignty has normally been viewed as a strength of the nation state, but sovereignty has also posed major limitations. Indeed, James Rosenau refers to nation states as *sovereignty-bound actors* and to transnational corporations and subna-

¹⁶ Panayotis Soldatos, "An Explanatory Framework for the Study of Federated States as Foreign-policy Actors," in Michelmann and Soldatos, eds., *Federalism and International Relations*, 37.

¹⁷ *Ibid.*, 37-38.

tional governments as *sovereignty-free actors*. This terminology “serves as a continual reminder that the differences between states and other collectivities may not be as one-sided as they are usually assumed to be.”¹⁸ (In the context of Canada and its provinces, sections 91-95 of the Constitution Act, 1867, provide for both federal and provincial sovereignty in their own areas of jurisdictional competence as well as certain areas of shared jurisdiction. Rosenau’s reference is to “international” activity, a primary constitutional, and traditional, responsibility of nation states.) In the 1940s, the compromise of embedded liberalism differed from orthodox liberalism in that it prescribed “state action to contain domestic social and economic dislocations generated by markets.”¹⁹ This change has added to the burdens on central governments, and their responsibilities have continued to increase as the number of global issues and actors has multiplied. Today, a nation state’s sovereign responsibilities can overwhelm its capacities and prevent it from concentrating its energies on specific policy objectives. Sovereignty-free collectivities such as subnational governments, by contrast, need not disperse their responsibilities as widely and, thus, can direct more resources to a select group of preferred goals. The policy phases of British Columbia’s international relations (discussed below) highlight this point.

In federations, of course, sovereignty is not tied to the central government alone. Although the international community tends to treat federal states as unitary actors, the constituent units in fact have “a sovereign competence of their own in specified areas.”²⁰ The limitations on central governmental competence in foreign affairs are particularly important in the Canadian case because of Canada’s constitutional history and the political aspirations of Quebec (and, to a lesser extent, other provinces). Since the Constitution Act, 1867, “was not designed to provide a constitution for an autonomous nation-state,” it did not assign exclusive jurisdiction over international affairs to the central government.²¹ This unique constitutional history has encour-

¹⁸ Rosenau, *Turbulence in World Politics*, 36.

¹⁹ Stephen D. Krasner, “Structural Causes and Regime Consequences: Regimes as Intervening Variables,” in Stephen D. Krasner, ed., *International Regimes* (Ithaca, NY: Cornell University Press, 1983), 4. For a detailed discussion of embedded liberalism, see John G. Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order,” 195-231, in the same volume.

²⁰ Kim Richard Nossal, *The Politics of Canadian Foreign Policy* (Scarborough, ON: Prentice Hall, Canada, 1989), 257.

²¹ P.R. (Roff) Johansson, “Provincial International Activities,” *International Journal* 33 (Spring 1978): 359.

aged the Canadian provinces to assert their prerogatives in global affairs, and it has further impeded the federal government's ability to deal with the effects of global interdependence. In contrast to the Canadian case, the US Constitution "presumably precluded the states from independent involvement in foreign affairs," and "this basic balance (or rather imbalance) of constitutional authority and enforcement powers in foreign policy matters has not changed."²²

The declining problem-solving capability of nation states (though not of their formal constitutional authority) has induced subnational governments to adopt increased responsibilities and functions.²³ Local communities and individuals who feel the effects of interdependence have often turned to provincial governments when central governments have failed to meet their needs and interests. This tendency can be referred to as *subgroupism*, which contrasts with the earlier centralizing tendencies of *nation-statism*.²⁴

Subnational factors influencing provincial international relations may be political, economic, and/or cultural. In bicommunal and pluricommunal states, subnational units may have aspirations ranging from greater autonomy to full sovereignty.²⁵ In some cases, such as that of Quebec, communal divisions may coordinate substantially with subnational territorial divisions. Under these circumstances, the subnational government may not limit its global activities to *paradiplomacy*, which is primarily concerned with socio-economic and cultural issues; it may also engage in *protodiplomacy*, or "the conduct of international relations by a noncentral government that aims at establishing a fully sovereign state."²⁶ In this study of British Columbia, protodiplomacy is not a salient issue. Nevertheless, the geographic

²² Brown and Fry, eds., *States and Provinces in the International Economy*, 203-4. For an assessment of some of this state (and local) activity in the US Pacific Northwest, see Patrick J. Smith, "Policy Phases, Subnational Foreign Relations and Constituent Diplomacy in the United States and Canada: City, Provincial and State Global Activity in British Columbia and Washington," in Brian Hocking, ed., *Managing Relations in Federal States* (London/New York: Leicester University Press, 1993), 211-35.

²³ On the discrepancy between capacity and formal authority in federations such as Canada, see Patrick J. Smith, "Local-Federal Government Relations: Canadian Perspectives, American Comparisons," in H. Peter Oberlander and Hilda Symonds, eds., *Meech Lake: From Centre to Periphery* (Vancouver: University of British Columbia Centre for Human Settlements, 1988), 127-38.

²⁴ Rosenau, *Turbulence in World Politics*, 12.

²⁵ In a bicommunal society or polity, "two distinct ascriptive communities clearly dominate the political arena." If more than two groups dominate, the society/polity is pluricommunal. See Ivo D. Duchacek, "Multicommunal and Bicommunal Polities and Their International Relations," in Ivo D. Duchacek, Daniel Latouche, and Garth Stevenson, eds., *Perforated Sovereignities and International Relations* (New York: Greenwood Press, 1988), 6.

²⁶ *Ibid.*, 22.

position of BC, far from the national capital in Ottawa, has been a powerful motivating force for an active paradiplomacy. International activity has often resulted from "Western alienation" (i.e., Western Canada's feelings of alienation from Central Canada) and from the view that British Columbia's interests and priorities (e.g., vis-à-vis the Pacific Rim or adjacent American states) are fundamentally different from those of the rest of Canada.²⁷ These feelings also find expression vis-à-vis provincial-federal government relations: again, with regard to the disagreement between the BC government and the federal government over the West Coast fishery, in May 1996, BC premier Glen Clark announced that the province was "going to have to demand more jurisdiction over fisheries. We just cannot rely on the federal government. . . They just don't understand BC."²⁸

Another subnational determinant relates to what provincial governments learn as a result of their intergovernmental and global activities. Provincial skills and experience gained from federal intergovernmental relations have served them well internationally; and provincial involvement in global activities has, in turn, instilled the desire and confidence to engage in further forays into the international realm. Nevertheless, international involvement is still not considered to be an "ordinary" activity for most subnational units, as it is for central governments. Funding for global activities is often an early victim of provincial (or municipal) budgetary cutbacks, despite the international experience and contacts gained over the years. For example, consider the 1993 Ontario government decision to close its seventeen foreign trade offices, rely more on Canadian trade missions abroad, and focus on providing advice at home to companies seeking foreign sales.²⁹

While the role of subnational units has increased as a result of disillusionment with central governments, it should be noted that citizens' expectations can also undermine the authority of provinces and states. The growth of interdependence seems inexorable, and subnational as well as central governments may find it difficult to deal with the impact of global actors and events on local communities. Thus, the progressive movement towards transnationalism could be

²⁷ For a discussion of the diverse preoccupations across Canada regarding economic relations with the US, see Theodore Cohn and Inge Bailey, "Newspaper Coverage of Canadian-US Economic Relations: 1972 and 1982," *Canadian Journal of Communication*, 13, 3-4 (1988): 1-15.

²⁸ See Daphne Bramham, "Premier Will Demand Provincial Control Over Fishery," *Vancouver Sun*, 25 May 1996, B3.

²⁹ Drew Fagan and Barrie McKenna, "Ontario Changing Trade Strategy," *Globe and Mail* (Toronto), 24 April 1993, B2.

accompanied by a further fracturing of subgroups.³⁰ Today's marked proliferation of ethnic conflict is attributable in part to these dual tendencies towards transnationalism and subgroupism.

Although *individual-level factors* are the most difficult about which to generalize, they can have a significant impact on the international behaviour of subnational governments. BC premiers have often been colourful figures with personalized styles of government, and they have influenced both the level and nature of provincial international involvement.³¹ In earlier years, when subnational activities were less regularized, the individual factor was especially noteworthy; but even in recent years the personalities of BC premiers and their ministers have sometimes made a significant difference. A major reason for the importance of the individual factor relates to the "sovereignty-free" nature of subnational units. Without the full complement of sovereign responsibilities borne by the central government, provincial leaders can focus their energies — and their idiosyncrasies — on international issues of special interest to them. Some of these personalized issues are discussed below.

The impact of factors such as those outlined here can be assessed through an examination of changing policy phases in the international relations of British Columbia.

POLICY PHASES AND POLICY FACTORS

This portion of the article traces the factors influencing international policy-making (and policy-making capacity) in British Columbia through an analysis of four policy phases:

1. an *ad hoc* phase, indicative of relatively immature policy intent and capacity, with incremental shifts extending from the First World War (and before) and continuing into the early 1970s;
2. a *rational* phase, indicative of efforts to develop a more rational approach to international activities from the latter part of the 1970s to the early 1980s;
3. a *strategic* phase, indicative of the development of a more strategic internationalist policy position in the mid- to late 1980s;

³⁰ Rosenau, *Turbulence in World Politics*, 135.

³¹ On "The Politics of Personality" in British Columbia — and its limitations — see P.J. Smith, "British Columbia: Public Policy and Perceptions of Governance," in James Bickerton and Alain-G. Gagnon, eds., *Canadian Politics: An Introduction To The Discipline*, (Peterborough: Broadview, 1994), 507-12.

4. a *globalist* phase, indicative of provincial policy positions in the 1990s.

The change from ad hoc to more rational approaches to international policy is indicative of a growing institutionalization and maturing of subnational policy-making in the global arena. In British Columbia, this subnational diplomacy has expanded in both intensity and range. Each policy phase has reflected a different set of choices by the provincial government, in keeping with shifting importance of the various policy factors.

THE SETTING

British Columbia is Canada's third most populous province (3.86 million in 1996), comprising about 12 per cent of the country's population, with a significant majority of its population living in the Georgia Basin — the Vancouver-centred metropolitan region immediately adjacent to the US Pacific Northwest Cascadia corridor.³² Trade statistics clearly demonstrate the degree to which British Columbia is affected by global interdependence.³³ International exports are directly responsible for more than one in three BC jobs and for about one-quarter of BC's gross domestic product.³⁴ Although exports of value-added products have increased in recent years, they accounted for only about 13 per cent of British Columbia's total exports in 1995; thus, the province is still principally an exporter of semi-processed or unprocessed natural

³² See H. Peter Oberlander and Patrick J. Smith, "Governing Metropolitan Vancouver: Regional Intergovernmental Relations in British Columbia," in Donald Rothblatt and Andrew Sancton, eds., *Metropolitan Governance: American/Canadian Intergovernmental Perspectives* (Berkeley: University of California Institute of Governmental Studies Press, 1993), 329-73; and P.J. Smith, "Skinning Cats: More Than One Way Towards Economic Development — Cases From The Vancouver Region," in Katherine Graham and Susan Phillips, eds., *Public Participation In Local Government*, (Toronto: Institute of Public Administration of Canada, 1996).

³³ The trade data in this section are taken from BC Ministry of Economic Development, *British Columbia Facts and Statistics*, selected years; BC Ministry of Finance and Corporate Relations, *British Columbia Economic and Statistical Review*, selected years; BC Ministry of International Business and Immigration, *British Columbia: Trade 1989*; BC Ministry of Finance and Corporate Relations, *British Columbia International Exports — 1990* and subsequently; BC Ministry of Employment and Investment, Trade Policy Division, 1991-1995; Ministry of Economic Development, Small Business and Trade, *British Columbia International Exports, 1991*; BC Ministry of Finance and Corporate Relations, *BC Stats*, March 1993, 1994, and 1995; and *Pacific Northwest Economic Region*, Spring, 1994.

³⁴ The authors are grateful for the assistance of Don White and Tim Gallagher, Senior Policy Advisors, and Ross Curtis, Manager, Trade Policy, Ministry of Employment and Investment, British Columbia, for providing trade figures used in this section; BC Stats information is from the BC Ministry of Finance (George Dufour, contact).

resource products. Forest products continued to account for almost two-thirds (63 per cent) of the total value of BC exports in 1995 (\$17 billion), with minerals and energy products accounting for another 15 per cent. In the decade of the 1980s, BC exports grew at a real average annual rate of 4.6 per cent, and were valued at \$17.76 billion in 1989. Provincial exports fell by 9.2 per cent in 1990 and by a further 8.6 per cent in 1991. The falling export earnings during this period reflected declining international commodity prices and a slowdown in economic activity in major markets, and it served as a reminder of the vulnerability of resource-dependent economies in the new global economy. Since 1991, however, BC export earnings have grown by 77 per cent (up 20 per cent in 1994 and 17.9 per cent in 1995).

Since the end of the Second World War, there have been major changes in the destination of BC exports. While dependence on the American and British markets has gradually declined, the share of exports to Asia and the European Community has generally increased. Thus, Asia Pacific economies today account for almost as large a share of BC exports as does the United States, and the European Community is now British Columbia's third largest export market (after the United States and the Asia Pacific). In 1995, the US, the Asia Pacific, and the European Union combined accounted for about 97 per cent of British Columbia's export revenues (\$26.9 billion).

British Columbia exports proportionately more to the Asia Pacific Region and the European Community, and less to the United States, than the Canadian average. In 1995, 49.4 per cent of BC exports were directed to the United States, 36.7 per cent to the Asia Pacific Region, and just under 11 per cent to the European Union. In contrast, 79 per cent of total Canadian exports were sent to the US, 10 per cent to Asia Pacific countries, and 6.4 per cent to the EU. Within the Asia Pacific Region, Japan is British Columbia's most important trading partner, taking 68.5 per cent of the province's total exports to that region (and representing one-quarter of all BC exports in 1995); the Republic of Korea continues to place as British Columbia's third most important trading partner, having replaced the United Kingdom in 1991. In 1995, Korea took 3.6 per cent of BC's international exports; Germany was fourth (2.6 per cent), China fifth (1.9 per cent), followed by Taiwan (1.8 per cent), the UK (1.4 per cent), Australia (1.1 per cent), and Hong Kong (1 per cent).³⁵ It should be noted, however,

³⁵ Specific statistics on trade and investment for this section are also drawn from *BC Stats*, BC Ministry of Finance, up to 1995; many are recompiled from Statistics Canada sources for

that the province's diversified trading pattern is primarily limited to resource commodities. The United States was by far the major destination for British Columbia's value-added exports in 1995, taking about 75 per cent of the total, up 5 per cent from 1990. In contrast, only about 7 per cent of BC's value-added exports were sent to Japan.

Just under half of total provincial exports to the United States is destined for five Western states: Washington, Oregon, California, Montana, and Idaho. In 1995, the three Pacific Northwest states combined — Washington, Oregon, and Idaho — purchased more BC exports (in dollar value) than did all of Europe (\$4.8 billion vs \$3 billion), and Washington State alone imported eight times (\$3.2 billion) the amount of BC goods imported by Britain (\$386 million) and 4.6 times (\$694 million) the amount imported by Germany.

British Columbia's dependence on foreign investment has also increased in recent years. British Columbia, Ontario, Quebec, and Alberta account for almost 95 per cent of Canada's foreign investment transactions (Ontario, 51 per cent, Alberta 21 per cent, Quebec 15 per cent, and BC 8 per cent). The major sectors of foreign investment activity in BC in 1991 were, in terms of value, manufacturing (39 per cent), wholesale and retail trade (22 per cent), real estate (15 per cent), and tourism services (9 per cent). In 1995, manufacturing was at 33.6 per cent, wholesale/retailing at 14.8 per cent, and (a redefined) all business/service sector at 46.6 per cent. As is the case with trade, British Columbia is relatively more dependent on investment from the Asia Pacific Region, and less dependent on US investment than is the rest of Canada. Thus, the United States accounts for a majority of foreign investment in the Prairie provinces and Ontario, a little less than half in Quebec, and least of all in British Columbia. While France is the major non-US source of investment in Quebec, the major non-US sources in BC are from the Asia Pacific Region (including Hong Kong and Japan). In 1988 British Columbia accounted for 37.7 per cent of revenues earned by Asia Pacific-controlled corporations in Canada, far in excess of the relative size of the BC economy.³⁶ The province's trade and investment profile helps to

BC specifics; and many are also available through either the Ministry of Employment and Investment BC or the Ministry of Finance.

³⁶ "Investment Performance in Canada: Understanding the Big Picture," *Canada 2000*, Canada West Foundation, June 1992, 10-11; Statistics Canada, *Annual Report of the Minister of Industry, Science and Technology under the Corporations and Labour Unions Return Act*, Part I, *Corporations 1988*, 70. See also Peat Marwick Thorne, *1992/1993 British Columbia Inbound Investment Study*, and KPMG's *1993/94 Inbound Investment Survey* (Vancouver: KPMG, Pacific Rim Publication: *Investment*, 1995).

explain some of its motivation for international activity and for the policy phases that British Columbia has developed over time.

PROVINCIAL POLICY PHASES

The development of different policy phases in British Columbia suggests that challenges to state-centric foreign policy-making have been long-standing but, until recently, relatively limited.³⁷ Early provincial international behaviour could be described as "quixotic." For many years, the BC government was more inclined than were the governments of some other provinces (such as Quebec and Alberta) to be a mediating rather than a primary actor, pressuring the federal government to promote its international interests. At times though, when BC leaders were frustrated with the federal government's inaction (or "wrong" actions), they resorted to primary activities that were "completely independent initiatives in defiance of Ottawa."³⁸ One of the early, personalized interventions by a BC premier was the provincial purchase of two submarines built in Seattle immediately prior to the outbreak of the First World War. With an American declaration of neutrality likely and in the light of provincial fears of inadequate defence for the Pacific Northwest, BC Premier Richard McBride (1903-15) requested that Ottawa arrange for the British Admiralty to purchase the two submarines. Dissatisfied with a delay in Ottawa's response, McBride promptly made a decision (without legislative approval) to purchase the subs for \$1.15 million. The BC government owned the two subs for three days, while an angry national government arranged for the British Admiralty to take possession.³⁹

The Ad Hoc Phase: 1950-70

W.A.C. Bennett (1952-72) was one of Canada's first modern provincial premiers to be involved in important international activity. Although, during most of his term, public servants in British Columbia had to seek permission from the Premier's Office to make out-of-province

³⁷ For a discussion of policy phases regarding municipal foreign relations in BC, see Patrick J. Smith, "The Making of a Global City: Fifty Years of Constituent Diplomacy — The Case of Vancouver" *Canadian Journal of Urban Research* 1 (June 1992).

³⁸ Elliot J. Feldman and Lily Gardner Feldman, "The Impact of Federalism on the Organization of Canadian Foreign Policy," *Publius* 14 (Fall 1984): 41.

³⁹ See Margaret Ormsby, *British Columbia: A History* (Toronto: Macmillan, 1958); and Martin Robin, *The Company Province: The Rush for Spoils, 1871-1933* (Toronto: McClelland and Stewart, 1972).

phone calls, Bennett (his own Minister of Finance) was not so constrained.⁴⁰ Most noteworthy was his government's role with regard to the Columbia River Treaty in the early 1960s.⁴¹ In an earlier judicial decision — the Labour Conventions Case of 1937 — the Judicial Committee of the Privy Council had delimited the federal government's ability to implement treaties unilaterally in areas subject to provincial or divided jurisdiction.⁴² That decision affected subsequent federal government thinking on matters relating to division of powers. In the case of Columbia River development, since natural resources fell under provincial jurisdiction, federal officials were reluctant to proceed with a Columbia River Treaty without British Columbia's approval. Although the US Senate promptly ratified the treaty after it was signed in 1961, it was not until three and one-half years later that final ratification in Canada was possible with BC's concurrence. Despite the importance of the Columbia River Treaty, the influence of W.A.C. Bennett's government in Ottawa with regard to most other international matters (and also with regard to most domestic intergovernmental issues) was clearly limited.

The Rational Phase: 1972-75, 1975-86

The election of a leftist New Democratic Government Party (NDP) in 1972 led to the development of more regularized approaches to policy-making. Apart from beginning to develop central agencies beyond the rudimentary structures that had served BC since 1871, Premier Dave Barrett made a number of excursions into international relations.⁴³ Differences in ideology combined with geographic distance proved to be potent incentives for the Barrett government to become more directly involved internationally. As with the Columbia River project, many of the contentious cases resulted from BC's growing interdependence with the United States with regard to natural resource and

⁴⁰ See T. Morley et al, eds., *The Reins of Power: Governing British Columbia* (Vancouver: Douglas and McIntyre, 1983).

⁴¹ See Neil Swainson, *Conflict Over the Columbia: The Canadian Background to an Historic Treaty* (Montreal: McGill-Queen's University Press, 1979).

⁴² *Attorney General of Canada v. Attorney General of Ontario*, in the Privy Council, [1937] AC 327; III Olmsted 180. See Peter Russell, ed., *Leading Constitutional Decisions*, 3rd edition (Ottawa: Carleton University Press, 1982), 122-30, for a synopsis of this Judicial Committee of the Privy Council decision.

⁴³ See Paul Tennant, "The NDP Government of British Columbia: Unaided Politicians in an Unaided Cabinet," *Canadian Public Policy* 3 (1977): 367-82; and Walter Young and Terence Morley, "The Premier and the Cabinet," in Morley et al., *The Reins of Power*.

environmental issues. Three cases, all with an overt nationalist emphasis, stand out as illustrations:⁴⁴

1. The BC-US natural gas dispute. Here, the province took control of the resource by creating a Crown agency and, in a series of stages, raising foreign (i.e., US) prices by over 300 per cent in two years. These actions produced consternation in Ottawa, anger in the US government, and outrage in Washington State. The United States retaliated — for a short time — by limiting Canadian access to American aviation fuel.⁴⁵
2. The Trans Alaska Pipeline (TAP) dispute. Here, the Barrett government opposed an American plan to transport Alaskan oil by ship to Washington State. The province sought direct access to President Richard Nixon (unsuccessfully, because of Canadian government intervention) and unveiled an alternative plan without prior consultation with Ottawa. When Ottawa did not support the plan and a senior authority criticized Barrett for breaching international protocol, BC responded by accusing Ottawa of “laxity and timidity.”⁴⁶
3. The BC attempt to have the Columbia River Treaty and the High Ross Dam agreement renegotiated. Barrett referred to the mid-1960s Columbia River Treaty as “the biggest skinning since the selling of Manhattan Island,” but he did not get Ottawa to renegotiate the deal.⁴⁷ Threats of American retaliation and lawsuits formed part of this policy discourse.

Consistent with its more rational provincialist/nationalist goals, the Barrett government sought to redirect British Columbia's trade away from the United States and towards the Asia Pacific. Between 1972 and 1974 (Barrett's last full year in office), there was a 10 per cent shift in BC trade from the United States to Japan. At the federal level, the Trudeau government's trade diversification efforts (termed the “Third Option” policy) to decrease the high degree of trade dependence on the US were far less successful than were BC's efforts. Nevertheless, one must question the degree to which Barrett's policy was responsible

⁴⁴ For an extensive discussion of premier Barrett's international activities, see James P. Groen, “Provincial International Activity: Case Studies of the Barrett and Vander Zalm Administrations in British Columbia” (MA Thesis, Political Science, Simon Fraser University, Burnaby, BC, 1991).

⁴⁵ *Ibid.*, 82-99.

⁴⁶ *Ibid.*, 100-25.

⁴⁷ *Ibid.*, 124-53.

for British Columbia's "success." The province's trade has continued to shift towards the Asia Pacific under Barrett's successors, and the primary factor seems to be that natural resources are of interest to countries such as Japan and South Korea. Thus, the Asia Pacific's share of BC exports grew from 33 per cent in 1980 to 38 per cent in 1990. In 1995 the figure was 36.7 per cent. BC exports to the province's largest Asia Pacific market, Japan, continue to be dominated by four natural resource products: coal (12 per cent), softwood lumber (37 per cent), copper concentrates (8 per cent), and wood/pulp (15 per cent).⁴⁸

In 1975, the NDP was replaced by the rightist Social Credit government of Bill Bennett. Between then and 1986, the son of the former BC premier built on the central agency structures initiated by Barrett. Bennett's changes included a significant expansion of the Premier's Office, related Cabinet support structures, and the creation of an Office (and then Ministry) of Intergovernmental Relations. Rather than seeking stronger regional ties with the United States, Bennett, like Barrett, emphasized a global economic strategy (e.g., the expansion of provincial trade missions in Europe and the Asia Pacific). Bennett's personal "bunker" policy style, particularly in relation to his government restraint program between 1983 and 1986, led to his resignation and the October 1986 election of his Social Credit successor, Bill Vander Zalm.⁴⁹

The Strategic (and Policy Gambling) Phase: 1986-91

The latter period of the Bill Bennett administration reflected a more strategic policy phase than did the earlier period, as the BC government adopted a specific economic development focus in its international dealings. While as a politician Premier Vander Zalm was dramatically different from his predecessor, he continued with many of the strategic economic initiatives that began with Bill Bennett. Policy gambling, uncertainty, and a return to one-personality government are key descriptors of Vander Zalm's style.⁵⁰ Nevertheless, his administration became a prominent mediating and primary actor on

⁴⁸ BC Ministry of Finance and Corporate Relations, *British Columbia International Exports — 1990*.

⁴⁹ Patrick J. Smith and Laurent Dobuzinskis, "The Bloom is Off The Lotus: Job Creation Policy and Restraint in British Columbia," in J.S. Ismael, ed., *The Canadian Welfare State: Evolution and Transition* (Edmonton: University of Alberta, 1986), 212-44.

⁵⁰ P. Smith, "Labour Markets and Neo-Conservative Agenda Setting in British Columbia, 1986-1991," in A. Johnson, S. McBride, and P. Smith, *Continuities and Discontinuities: The Political Economy of Social Welfare and Labour Market Policy in Canada* (Toronto: University of Toronto Press, 1994) 291-305.

international issues, and it participated in several key international initiatives that reflected a developing strategic position:

1. Under Vander Zalm, British Columbia took a strong stance on developing closer regional linkages with the Western states. The premier's active diplomacy in the region stemmed from a combination of factors, including the importance of the US market (specifically the Western states) for BC exports, the signing of the Canada-US Free Trade Agreement (FTA) in January 1988, and Vander Zalm's support for closer regional ties. British Columbia signed agreements promoting linkages with Alaska, California, Oregon, and Washington; and in 1989 BC and Alberta were granted honorary status in the Western Legislative Conference, a formal group of eight Western states. The Vander Zalm government also responded positively to the efforts of Washington State senator Alan Bluechel to promote closer ties in the Pacific Northwest region. At Bluechel's suggestion, the Washington State Legislature and the University of Washington's Northwest Policy Center sponsored a three-day Pacific Northwest Legislative Leadership Forum in the Fall of 1989. Sixty legislative leaders from Alaska, Idaho, Montana, Oregon, Washington, Alberta, and British Columbia attended the forum and examined ways through which the region could address common problems and enhance its competitive position in the global economy. At the second meeting of the forum in December 1990, a proposal was passed to establish the Pacific Northwest Economic Region (PNWER). This proposal was subsequently approved by the legislatures of the seven states and provinces. The first annual meeting of PNWER was held in Whistler, British Columbia, on 8-10 October 1991, at the end of the brief premiership (4 April-5 November 1991) of Rita Johnston, Vander Zalm's successor after he was forced to resign over a conflict of interest. The Mike Harcourt-led NDP government, which took office on 5 November 1991, later became involved with developing PNWER as an important regional force (see below).⁵¹

While emphasizing regional ties with the United States, the Vander Zalm administration also followed the practice of earlier BC governments in promoting trade and investment linkages with the Asia Pacific. Despite the more regularized development of

⁵¹ *The Changing Northwest: Newsletter of the Northwest Policy Center* 1 (November/December, 1989): 1, 7; interview with Don White, Ministry of Economic Development and Trade, 3 May 1993.

British Columbia's economic linkages, Vander Zalm often introduced his own personalized (and rather unpredictable) style in trade policy-making. In the Asia Pacific, his government circumvented the federal government's restrictions on relations with Taiwan and attempted to circumvent its ban on South African trade (e.g., on wine and prefabricated housing).⁵²

2. Although cross-border cooperation progressed under Vander Zalm and Johnston, the 1986-87 softwood lumber dispute strained British Columbia's relations with the United States and with the government in Ottawa. In late May 1983, it seemed that the issue of countervailing duties (CVDs) on Canadian softwood lumber exports to the United States had been resolved in Canada's favour. The US International Trade Administration (ITA) had found that Canada's lumber pricing practices did not constitute a countervailable subsidy. Nevertheless, there were clear indications in early 1985 that the US Coalition for Fair Lumber Imports and its Congressional supporters would issue another challenge to the Canadian industry. Despite this threat, Premier Bill Bennett and the Canadian Forest Industries Council opposed any concessions by the Canadian government to the US lumber industry to avert a new countervailing duty suit. Mistakenly, they seemed to believe that the US trade-remedy bodies (the International Trade Administration and the International Trade Commission [ITC]) were insulated from political pressures and that Canada could win any new countervail case on its economic merits.⁵³

The US Coalition for Fair Lumber Imports filed a petition in May 1986, again requesting that a CVD be imposed on imports of Canadian softwood lumber. Although the coalition's evidence was similar to that offered in the earlier (1982-83) phase of the dispute, new trade legislation and court rulings had made it easier for the United States to impose countervailing duties.⁵⁴ Preliminary decisions by the ITC in June 1986 and by the ITA in October 1986 favoured the US petitioner. The deadline for the final determina-

⁵² See Groen, *Provincial International Activity*, 188-91, 264-82.

⁵³ Michael B. Percy and Christian Yoder, *The Softwood Lumber Dispute and Canada-US Trade In Natural Resources* (Halifax: The Institute for Research on Public Policy, 1987), 17, 125-26.

For a discussion of the political pressures sometimes involved in US countervail cases, see Theodore H. Cohn, "Emerging Issues in Canada-US Agricultural Trade Under the GATT and FTA," Canadian-American Public Policy Series No. 10, Canadian-American Center, University of Maine, June 1992.

⁵⁴ On the relationship between US countervailing duty decisions and the American propensity to alter its trade legislation, see *ibid.*, 17-27.

tion in the case was 30 December 1986, and Canada had only six months in which to appeal the decision or take some other action. Meanwhile, the US Congress "successfully politicized the lumber conflict, making it highly 'visible,' most notably by linking the conflict with the embryonic general FTA talks."⁵⁵ Such pressures contributed to major divisions in the Canadian position by the summer of 1986, when the federal government rejected the Council of Forest Industries' proposal to fight the countervailing duty, and if necessary, to take the issue to the GATT.

In early fall 1986, the newly elected Vander Zalm government contributed further to the divisions. There was a marked change in tactics from those used in the Bill Bennett period, which can be attributed partly to the personal views and style of the premier and his forest minister, Jack Kempf. The Vander Zalm government distanced itself from the BC Council of Forest Industries and took a more positive view towards a negotiated settlement than did the Bennett government; indeed, British Columbia even threatened to negotiate its own agreement with the United States if the Canadian government failed to do so. This shift in the BC position only made the US industry more intransigent and heightened tensions with Ottawa. Weakened by these domestic divisions, the federal government agreed on 30 December 1986 (only hours before the deadline) to sign a Memorandum of Understanding (MOU) with the US government. The MOU committed Canada to imposing a 15 per cent tax on lumber exports to the United States, which could only be revoked if provincial governments increased stumpage or related charges. In return, the US Coalition for Fair Lumber Imports agreed to withdraw its petition for a countervailing duty.⁵⁶

After the MOU was signed, there was some reorientation of British Columbia's coastal industry away from the United States and towards Japanese and European markets, but BC continues to depend on the US market. Ironically, although Vander Zalm strongly supported the MOU, it nevertheless eroded BC autonomy in some important respects. The softwood lumber case marked the first time that a US countervail case had been launched against a

⁵⁵ R. Hayter, "International Trade Relations and Regional Industrial Adjustment: The Implications of the 1982-86 Canadian-US Softwood Lumber Dispute for British Columbia," *Environment and Planning A* 24 (1992): 161.

⁵⁶ See Sharn Tyakoff, "The Canada-US Softwood Lumber Dispute: An Interdependence Approach" (MA Thesis, Political Science, Simon Fraser University, Burnaby, BC, 1988); Groen, *Provincial International Activity*, 191-205; and Hayter, "International Trade Relations," 153-70.

country's natural resource policies, and the MOU, in effect, provided the United States with considerable influence over provincial stumpage formulas.⁵⁷ When the Canadian government decided to withdraw from the MOU in September 1991, the United States imposed a countervailing duty, which was tested under the FTA dispute-settlement mechanisms. Throughout the Mike Harcourt term (1991-96), this softwood issue festered. In early April 1996, just as New Democrat Glen Clark was taking over as BC premier from a retiring Mike Harcourt, the United States and Canada came to an agreement to "end" this "bitter trade dispute that has smoldered . . . for at least 15 years."⁵⁸ As of 1 April 1996, a five-year Canada-US lumber agreement was put in place. The key provisions of the agreement are that Canada's major lumber producing provinces — including British Columbia — (1) agree to reduce lumber shipments to the US by 1.5 million board feet annually and (2) agree to pay an export tax when shipments of lumber reach a certain threshold. Whether this will resolve American ambivalence towards Canadian softwood exports to the United States remains to be seen; the agreement offers the prospect of a five-year window during which time this trade irritant will be taken off the "front burner." However, the re-election of Glen Clark's NDP government at the end of May 1996 provides possibilities for ongoing agenda status for other irritants, such as the Pacific fishery.

3. On other fronts, a highly significant Vander Zalm initiative was the provincial response to the December 1988 Gray's Harbour, Washington, oil spill. The loss of over one million litres of Alaskan crude became British Columbia's worst coastal environmental problem. It resulted in international protests and lawsuits, provincial criticism of the federal government's response, and, ultimately, direct BC intervention leading to the establishment of a Joint BC-Washington State (and then expanded West Coast) Committee. When the *Exxon Valdez* spill occurred one day after this agreement, Premier Vander Zalm travelled immediately to Alaska for meetings, which led to the creation of the British Columbia-United States Oil Spill Task Force, which was composed of BC, Alaska, Washington, and Oregon (California subsequently joined). The task force objectives included developing "plans for oil spill preven-

⁵⁷ Hayter, "International Trade Relations," 167-68.

⁵⁸ On these recent developments see, for example, Reuter, "Monitoring Details Cap Softwood Deal," *Vancouver Sun*, 25 May 1996. Information also provided by BC Ministry of Forests, May 1996.

tion along the coast and in the Georgia Basin/Puget Sound.”⁵⁹ Ottawa objected to the creation of the task force, seeking to reassert a more traditional approach to such “foreign relations,” but BC’s then environment minister John Reynolds maintained that direct regional cooperation with US states was essential for dealing effectively with oil spills. Although the task force reported in 1990, many of its recommendations have not yet been implemented because of jurisdictional and other issues.⁶⁰ The regional environmental and economic linkages that the Vander Zalm government helped to develop became far more important during the Harcourt period.

The Globalist Policy Phase: 1991–Present

Premier Vander Zalm resigned on 4 April 1991 and was briefly succeeded by one of his Cabinet colleagues, Rita Johnston.⁶¹ Vander Zalm had engaged in some rightist-leaning policies, including his efforts to circumvent Canadian restrictions on trade with Taiwan and South Africa. In November 1991, former Vancouver mayor Mike Harcourt and his leftist New Democratic Party took office. During his three terms as mayor (1980–86), Harcourt had gained considerable experience in projecting Vancouver’s international image. His accomplishments had included a shift in the city’s international focus to a greater emphasis on economic priorities and closer linkages with Pacific Rim countries — including official “twinning” with Guangzhou and Los Angeles. The Harcourt civic administration had also worked with the new (1984) Conservative government in Ottawa to establish Vancouver as one of Canada’s international banking centres. The budget for Vancouver’s international activities had grown during Harcourt’s mayoral period and had been closely linked with private-sector “multipliers” and senior governmental grants.⁶²

⁵⁹ Bruce Agnew, “Overview of Washington State and Perspective on Cross-Border Issues,” Discussion Paper for the BC Round Table for the Environment and the Economy (henceforth BC Round Table), December 1992, 8.

⁶⁰ See Groen, *Provincial International Activity*, 218–44; and Agnew, “Overview of Washington State,” 9.

⁶¹ On this issue, see P.J. Smith, “Conflict of Interest and Public Sector Interests: British Columbia Cases, Comparative Perspectives,” *The Democratic Commitment* 25 (June 1991): 1–15.

⁶² For further information on the Harcourt mayoral period, see Theodore H. Cohn, David E. Merrifield, and Patrick J. Smith, “North American Cities in an Interdependent World: Vancouver and Seattle as International Cities,” in Earl H. Fry, Lee H. Radebaugh, and Panayotis Soldatos, *The New International Cities Era* (Provo, UT: Brigham Young University, 1989), 73–117; Smith, “The Making of a Global City”; and Theodore H. Cohn and Patrick J. Smith, “Developing Global Cities in the Pacific Northwest: The Cases of Vancouver and Seattle,” in Kresl and Gappert, *North American Cities*, 251–85.

Immediately after his swearing in as premier, Harcourt utilized the international experience he had gained as mayor of Vancouver. He led an extended trade mission to Japan, Hong Kong, and other Asia Pacific countries; travelled to New York City to meet US/international money managers, including Standard and Poors, the BC bond rater; and participated in the World Economic Forum in Davos, Switzerland, with additional stops in London and other commercial centres. All of these early provincial initiatives reflected a strong strategic element. At the same time, the first Cabinet decisions were environmental. Given Harcourt's past record in Vancouver, it was not surprising that the environment continued to be a major policy focus of his government. More important, just as Harcourt had developed the institutional base for Vancouver's global activities, so did he upgrade BC's organizational and financial capacity for dealing with international issues. Under Harcourt, much of British Columbia's global policy activity was supported by a new BC Trade Development Corporation, a Crown agency reporting directly to the premier.⁶³ And while Harcourt's successor, Glen Clark — as part of pre-electoral cost-cutting — subsequently shut the Trade Development Corporation down in February 1996, many of its functions continued, particularly within Clark's previous ministry — Employment and Investment. These functions are now shared with the Trade Policy section of the Ministry of Employment and Investment (MEI) and a new BC Trade and Investment Office (BCTIO), also in MEI. The new mandate of BCTIO (a special operating agency established in March 1996) is to provide "one stop access to both investors and exporters," combining the functions of the former BC Trade Development Corporation, BC Investment Office, and the Industry and Investment Division of MEI.⁶⁴

Some of the most important international activities of the Harcourt government were with US states in the Pacific Northwest. Despite the differences in ideology (and Harcourt's expressed opposition to NAFTA), the premier continued to build on Vander Zalm's regional

⁶³ See, for example, *BC Politics and Policy*, vol. 5, no. 11, January 1992.

⁶⁴ See BC Trade and Investment Office, Press Release, 11 March 1996, on the mandate (to focus on "facilitating and promoting international and domestic private sector investment" and to "enhance and expand export opportunities"), on structure (a Special Operating Agency [SOA] with considerable flexibility "independent from standard government operating procedures") and functions (with a focus on "developing sectoral trade opportunities in such areas as advanced manufacturing, knowledge-based industries, service industries and natural resources" [Trade and Industry Division]; "promoting investment opportunities and assessing strategic sectoral investments" [Investment and Financial Services Division]; working together on projects where trade and investment intersect; and in promoting long-term employment creation in the province).

initiatives. These activities support the contention that BC's relations with its US state neighbours, once ad hoc, low-level, and relatively infrequent, have become high-level and intense interactions. By promoting international interactions with the Asia Pacific, Europe, and the United States, and by greatly intensifying relations in the Pacific Northwest, the Harcourt government's policies became increasingly global in nature. More important, the thrust of BC's international choices and actions under Harcourt — and his successor, Glen Clark — reflect a “globalist policy phase.” This “globalist” phase is more comprehensive than were earlier policy phases; from a cultural-educational and business-economic focus it puts additional emphasis on ideology and environmental sustainability.⁶⁵

Economic activities continue to be a part of the globalist phase. For example, Pacific Northwest relationships have been developed not only to solidify ties among the regional actors, but also to raise the region's profile and competitiveness globally. Current policies for the region are also becoming more globalist in their preoccupation with objectives such as *sustainable* economic development, which are coupled with significant concern for social and environmental well-being. As Alan Artibise and Jessie Hill concluded,

[the] models of regional policy-making, policy-implementing, and policy-advising must . . . be evaluated for their capacity to promote a sustainable society . . . Achievement of sustainability in the Georgia Basin requires the discovery of new ways of living in the region . . . A new innovative governance system [for the Georgia Basin] must be developed in the near future.⁶⁶

The new, more intense level of interaction in the Pacific Northwest involves a broad range of economic, environmental, and social issues. These linkages were first referred to as Ecotopia,⁶⁷ and they have also been termed Pacifica⁶⁸ and Cascadia.⁶⁹ While all of these terms refer

⁶⁵ For a more complete discussion of these policy-phase definitions and their application to Vancouver and Seattle, see Cohn and Smith, “Developing Global Cities,” particularly p. 262 re: “globalist” approaches.

⁶⁶ Alan Artibise and Jessie Hill, “Governance and Sustainability in the Georgia Basin: A Background Paper,” BC Round Table, 27–28.

⁶⁷ The term “Ecotopia” is used in Ernest Callenbach, *Ecotopia* (Berkeley, CA: Banyantree Books, 1975), and Joel Garreau, *The Nine Nations of North America* (Boston: Houghton Mifflin, 1981).

⁶⁸ See, for example, Mark Moseley, “Welcome to the Republic of Pacifica,” *Vancouver Sun*, 7 March 1991, A11.

⁶⁹ David McCloskey of Seattle University produced a “map” of Cascadia. See Ian Gill, “A Green

to Pacific Northwest states and provinces, writers and policy-makers have had differing views as to which subnational governments are, and should be, involved. The term most commonly used today is Cascadia. In its more limited form, Cascadia combines Washington, Oregon, and British Columbia; in its broader form it also includes Alaska, Idaho, Montana, and Alberta. Most important, Cascadia has had practical global policy implications for governmental and non-governmental actors within British Columbia and the neighbouring US states. The current policy initiatives discussed below encompass both economic and environmental issues (which often overlap).

Economic activities

Some of the most important initiatives involve efforts to upgrade transportation services, considered critical to economic interchange in the region. The Cascadian concept has provided the basis for the High Speed Ground Transportation Committee, which has recommended to Washington governor Mike Lowrey "that Washington, in cooperation with Oregon and British Columbia, begin immediately designing a system to haul passengers at high speed between Vancouver, BC and Eugene, Oregon."⁷⁰ Studies to date indicate that high-speed ground transportation could be environmentally friendly, cost effective, and supportive of the Pacific Northwest economy. In related developments, AMTRAK has recently reintroduced its rail link to Vancouver,⁷¹ and the US Federal Railroad Administration has announced that the "Portcouver corridor" (from Eugene, Oregon, to Vancouver, BC) is one of five US rail corridors eligible to receive a

Island in A Sea of Envy: Welcome to Cascadia, the West Coast Ecotopian's Dream State," *The Georgia Straight*, 5-12 June 1992, 7-9. See also Warren Gill, "Region, Agency and Popular Music: The Northwest Sound, 1958-1966," *The Canadian Geographer* 37, 2 (1993): 120-31, on regional culture and music; and the inaugural edition of the journal *The New Pacific*.

⁷⁰ See John Magnano, Committee Chair/Clark County Commissioner, "Transportation: Faster than a Speeding Bullet — Will the Pacific Northwest Ever Be Linked by High-Speed Rail?" *Vancouver Sun*, 19 January 1993, A15.

⁷¹ Harold Munro, "Train Travel: Amtrak Woo-Wooing BC for Seattle-Vancouver Run," *Vancouver Sun*, 30 March 1992, A1 and A16. Work continues to be done on this initiative within BC and the Greater Vancouver Regional District. For a discussion of some of these transportation initiatives throughout 1995 and 1996 — and their relationship to sustainability in BC's Lower Mainland and Georgia Basin — see Bob Bose, "Metropolitan Governance and Strategic Planning in Greater Vancouver," 147-51; Ken Cameron, "Metropolitan Governance and Strategic planning: A Commentary," 152-55; and P.J. Smith, "Urban Governance and Growth Management: Greater Vancouver and British Columbia," 156-68, all in Patrick J. Smith, H. Peter Oberlander, and Tom Hutton, eds., *Urban Solutions To Global Problems: Vancouver — Canada — Habitat II* (Vancouver: University of British Columbia Centre for Human Settlements, 1996).

portion of \$30 million available for upgrading rail service. The intention is to assist the economy and improve the region's "competitive position in the global marketplace."⁷² In April 1994, Harcourt and politicians from Washington and Oregon inaugurated a "test run" of the line. Subsequent "trials" with provincial/state and local/regional politicians have taken place. Despite the high level of local interest and substantial support, as of 1996 decisions — and funding — with respect to this high-speed rail initiative remain open and uncertain, partly as a result of Presidential-Congressional budgetary battles in a US election year. However, local proponents of the plan — in BC as well as in Washington and Oregon — continue to work for its development.⁷³

Included among economic activities are private-sector organizations such as the Pacific Corridor Enterprise Council (PACE), which was developed to promote mid-sized businesses in the region and to facilitate business-to-business contacts across the Canada-US border. Peter Manson, a Vancouver lawyer who has chaired PACE, has noted that "people elsewhere in the world" are becoming more aware "that this is a region worth looking at to do business with."⁷⁴

The Pacific Northwest Economic Region (PNWER) is the most important regional economic group (it also deals with some environmental issues). As discussed, PNWER was established in 1991, during the Vander Zalm/Johnston period, by the legislatures of British Columbia, Alberta, Washington, Oregon, Idaho, Montana, and Alaska. Following formal approval of the organization, the leadership of the seven legislatures each appointed four delegates to the twenty-eight-member Delegate Council, which serves as the governing body for PNWER. There is also a President, Vice-President, and a seven-member Executive Committee, which consists of a delegate council member from each state and province. The Delegate Council has designated the University of Washington's Northwest Policy Center as the Secretariat for the organization. PNWER's objectives are to assist Northwest states and provinces "in developing and establishing policies to promote greater regional collaboration, enhance the region's competitiveness in international markets, and improve the economic

⁷² B. Agnew, "Overview of Washington State," 12; "Sustainability in the Georgia Basin/Puget Sound Region," Background Paper, BC Round Table, December 1992, 15; J. Magnano, "Transportation: Faster Than a Speeding Bullet," A15.

⁷³ This point was made by Bruce Agnew of Seattle's Discovery Institute, and a member of the High-Speed Rail task force, at a panel on the Pacific Northwest at the Association for Canadian Studies in the United States Conference, Seattle, Washington, October 1995.

⁷⁴ Quoted in Gill, "A Green Island in A Sea of Envy," 7-9.

well-being and quality of life for the region's citizens."⁷⁵ In 1994, the region had a combined gross regional product of \$300 billion (US) and a population of over 16 million.⁷⁶ Since then the Pacific Northwest has continued to expand — for example, BC's population grew by 580,000 between 1991 and 1996, a rate of 116,000 annually. Washington State senator Alan Bluechel, the prime mover for PNWER in the United States, sees economics as more important than political boundaries. His view is that there is "no interest in political union or anything pertaining to the politics of either country, except to make it easier for us to work together." Having achieved the first step of establishing PNWER as a legal structure, Bluechel has indicated that

the second step is to bring in the private sector which is really going to do the work. All we can do is provide the platform for the private sector to be competitive in the global market. The third step is to produce saleable products or concepts to the rest of the world. For example, if we can sell the northwest as the best place to get your environmental technology, that's a saleable concept.⁷⁷

The Pacific Northwest region currently has over 2,500 companies involved in environmental issues. Although it would be extremely difficult for these companies to sell individually in the European Union market, PNWER's objective is to offer their services to the EU in a packaged form. One recent theme for PNWER has been "Strengthening the Partnership," with emphasis on environmental, value-added timber, tourism, transportation, and telecommunication initiatives. The region has identified itself as the world's tenth largest "nation" by gross national product, just behind Canada.⁷⁸

Environmental activities

The second regional activity of note — and one central to the "globalist" policy thrust — is environmental. The antecedents of this ecological dimension of the global policy phase include the Vander Zalm government's policy response (discussed above) to the 1988 Gray's Harbour/*Nestucca* (Washington) and Prince William Sound/*Exxon Valdez* (Alaska) oil spills. Current organizational activities

⁷⁵ *The Changing Northwest: Newsletter of the Northwest Policy Center* 3 (June/July 1991): 2.

⁷⁶ *Pacific Northwest Economic Region*, Spring 1994, 1-2.

⁷⁷ Peter Brow, "Trade: Pacific Northwest Aims for Global Economic Status," *Vancouver Sun*, 9 October 1991, D2. Bluechel is Republican President Pro Tem in the Washington State Senate.

⁷⁸ See *Pacific Northwest Economic Region* (Spring 1994): 1-4.

include the broadly based Georgia Basin Initiative (GBI) and related developments. Georgia Basin-Puget Sound is a diverse bioregion that extends from Campbell River and Powell River, BC, in the north to just below Olympia, Washington, at the end of Puget Sound in the south. The Georgia Basin Initiative's goals include creating "a common vision around a shared resource — the land, water and air"; integrating "sustainability principles in decision-making, which recognizes that issues concerning the environment, economy and social well-being are inextricably linked and that solutions to problems in any one of these areas will likely impact on the others"; and defining priorities and taking "strategic steps on a broad front toward a viable sustainable future for the Region."⁷⁹ In a report released in Summer 1993, several models of governance for this region were posed: a Georgia Basin regional government, a regional council, a Georgia Basin ministry, a commission, a Georgia Basin sustainability act, and a management program.⁸⁰ Extended BC-Washington cooperation on a range of subregional issues was the result.

In 1994, the Georgia Basin Initiative was formally established within the BC Ministry of Municipal Affairs. Its focus was bioregional (with geography, more than potential jurisdictions, defining its activity), and its creation acknowledged that the province had a role to play in how communities and the bioregion developed. Throughout 1995 and 1996, the GBI moved forward with parallel "Growth-Strategies" legislation for the province and a Livable Region Strategic Plan for Greater Vancouver.⁸¹ The GBI has meant ongoing administrative and policy interaction between BC and Washington State.

Another significant environmental initiative is the British Columbia/Washington Environmental Cooperation Council (ECC). Established under Premier Mike Harcourt (and the Washington governor) through the Environmental Cooperation Agreement, it has produced "excellent technical work . . . [through] joint study . . . [on] Puget Sound/Fraser River water quality . . . Columbia River and Lake

⁷⁹ "Sustainability in the Georgia Basin/Puget Sound Region," BC Round Table, December 1992, 1-2.

⁸⁰ The March 1993 background paper on these proposals reflects on the institutional implications of such a sustainability strategy. See Artibise and Hill, "Governance and Sustainability in the Georgia Basin."

⁸¹ For a discussion of the Georgia Basin Initiative and recent developments see Joan Sawicki, "Growth Management, Sustainability and Metropolitan Governance in British Columbia," 120-26, in Patrick J. Smith, H. Peter Oberlander, and Tom Hutton, eds., *Urban Solutions To Global Problems: Vancouver — Canada — Habitat II* (Vancouver: University of British Columbia Centre for Human Settlements, 1996).

Roosevelt water quality, [and] regional air quality.”⁸² On the non-governmental front there is a wide range of environmental organizations, such as “People For Puget Sound” and “Save The Georgia Strait Alliance.” In 1992, many of these groups signed “The Sounds and Straits ’92 Agreement,” which holds the governments of Canada, the United States, British Columbia, and Washington State accountable for adopting timely, effective regulations to deal with conservation, pollution, and salmon habitat.⁸³

In this emerging globalist phase, the Pacific Northwest regional concern about the environment and resource use has emerged from an increasing recognition of the limits to growth. With regard to resource use, this recognition is reflected in local idioms such as “Brazil of the North” (a reference to BC forest practices) as well as in the creation of the Pacific Salmon Commission in 1989 (under the authority of the US-Canada Pacific Salmon Treaty) to attempt to ensure “the prevention of overfishing and cooperation in management, research and salmon enhancement.”⁸⁴ In the case of the Salmon Commission, British Columbia was largely content to play a mediating role, leaving the primary activities to the Canadian federal government and its representatives. (Alaska, by contrast, has insisted on having a more direct role on the commission.)⁸⁵ The ongoing difficulties in resolving Pacific Northwest transboundary issues with regard to the fishery ensure a continuing BC presence, however. During the short interim term of BC premier Glen Clark prior to the May 1996 provincial election, BC joined local fishers in (unsuccessfully) seeking a court injunction to prevent federal cuts to Pacific fishery licences, called for controversial transit fees for US fishers using “Canadian” waters, and announced that BC should take over the Pacific fishery itself. The federal response was — largely — to see this as provincial electoral posturing. The 28 May 1996 re-election of a BC NDP government under Glen Clark certainly means that such federal-provincial — and

⁸² Agnew, “Overview of Washington State,” 8.

⁸³ On preservation of water quality in the region, see Tony Dorcey, “Maintaining Clean Water,” 34-43; on air quality in the region, see David Bates, “Sustaining Clean Air,” 20-6, both in Smith, Oberlander, and Hutton, *Urban Solutions*.

⁸⁴ *Ibid.*, 7. On the forestry issues see “Brazil of the North,” *Greenpeace Newsletter*, Vancouver, BC, 1990; and Natalie Minunzic, “The Chainsaw Revolution: Environmental Activism and the Forestry Industry of British Columbia” (MA Thesis, Political Science, Simon Fraser University, Burnaby, BC, June 1993).

⁸⁵ See Robert Gould, “Policy Formulation and Decision-Making on the Pacific Salmon Commission: Evaluating Public Policy Decision-Making in the Pacific Salmon Fishery” (MA Thesis, Political Science, Simon Fraser University, Burnaby, BC, March 1993). Alaska’s activity has been concentrated on the Salmon Commission’s technical committees.

provincial-US state neighbour — relations will continue to affect BC intergovernmental action.

Not all groups can be neatly divided into the economic or the environmental. For example, the Cascade Corridor Commission (ccc) is “an advisory body of governments of Canada, the United States, the province of British Columbia, and the states of Washington and Oregon . . . [to] develop a strategic plan for environmentally-sound economic development and urban management in the Cascadia region.”⁸⁶ More specifically, the ccc will focus on transportation, environmental growth, and trade issues affecting Portland, Seattle, and Vancouver. The intention is that ccc membership will include representatives from regional planning agencies and municipal governments as well as from national and provincial/state governments. The commission is not yet fully in place, because it “would involve a federal treaty and would represent a layer of decision-making that might contradict local plans.”⁸⁷

Relationships in the Pacific Northwest region are not always amicable, of course. Interdependence breeds friction as well as cooperation, and there have been numerous sources of recent tension. These include the Canadian government’s removal of the softwood lumber export tax, even though a compromise five-year agreement was put in place in April 1996; the expansion of businesses (in US states) designed to encourage cross-border shopping (even though this has lessened as a Canadian irritant); the shift in location of some Canadian business establishments to the Northwest states; and pollution from urban wastes and pulp mills emanating from both sides of the border, something the Georgia Basin Initiative (and the Greater Vancouver Livable Region Strategic Plan) is seeking to address. Nevertheless, these sources of conflict have been a motivating force for

⁸⁶ Agnew, “Overview of Washington State,” 9.

⁸⁷ Dick Nelson, Washington State Representative, “Puget/Georgia Basin Forum: A Proposal,” discussion paper for the BC Round Table, 30 November 1992, 12. Some of the regional issues and institutions are explored further in Arthur M. Goddard and Patrick J. Smith, “The Development of Subnational Foreign Relations: The Case of the Canada-US Pacific Northwest,” paper for the Association of Canadian Studies in the United States, 1993 Biennial Conference, New Orleans, Louisiana, November 1993; see also P.J. Smith and Arthur Goddard, “Globalist Governance In Cascadia: The Pacific Northwest as a Subnational, Binational, International Region,” paper for the On Brotherly Terms: Canadian-American Relations West of the Rockies Symposium, in honour of the 150th Anniversary of the Treaty of Oregon, University of Washington, Seattle, Washington, September 1996; and P.J. Smith, “The Cascadia Option: Institutionalizing a New Subnational, Binational, International Order,” Atlantic Provinces Political Studies Association, Acadia University, Wolfville, Nova Scotia, October 1996.

developing collaborative solutions, and efforts to increase cooperation in the Pacific Northwest have continued unabated.⁸⁸

Although the Harcourt/Clark government's most sustained international activities have been directed towards the Pacific Northwest region, both premiers, like their predecessors, have also attached considerable importance to the Asia Pacific countries. As with the earlier NDP government of Dave Barrett, emphasis has been placed on diversifying trade ties in order to decrease dependence on the United States. In a June 1992 trip to Europe, for example, BC trade minister David Zirnheld stated that "BC needs to strengthen its trade with Europe to reduce its dependency on the United States."⁸⁹ In an April 1993 two-week trade mission to Japan, Hong Kong, China, and South Korea, then premier Harcourt indicated that "the mission will reaffirm our commitment to expand and diversify our trade and investment ties with Asia."⁹⁰ While in Japan, the premier opened a new trade office in Osaka, the country's second largest city. British Columbia is the first Canadian province to have a trade office in Osaka, which should provide opportunities for BC business in the important Kansai region. Osaka was British Columbia's tenth foreign trade office, and the decision to establish it contrasted markedly with the Ontario government's 1993 decision to close its seventeen trade offices, announcing that Ontario interests could be served by Canadian offices abroad. Quebec had twenty-six trade offices in 1994, at that time the only province with more international offices than British Columbia;⁹¹ recent (Spring 1996) budgetary cuts by new Quebec premier Lucien Bouchard have reduced this number dramatically, however.⁹² As of April 1996, there were only six Quebec delegations left (three in Europe [Brussels, Paris, and London], one in the US [New York], one in Mexico, and one in Japan [Tokyo]). Total savings from these cuts were a mere \$13 million. The new approach of the Quebec government is to count on private businesses to assist it with "foreign relations."⁹³ This approach produced the quiet re-opening of four US trade offices — in Chicago, Atlanta,

⁸⁸ See *Northwest Portrait — 1992* (Northwest Policy Center, University of Washington), 30-31.

⁸⁹ Daphne Bramham, "Zirnheld Sells Stepping-Stone," *Vancouver Sun*, 3 June 1992, D2.

⁹⁰ "Harcourt Announces Trade and Investment Mission to Asia," BC Office of the Premier, *News Release*, 14 April 1993.

⁹¹ "Premier's Asia Mission April 16-May 1, 1993, Mission Objectives"; "Notes for Premier Mike Harcourt on Asia Pacific Trade and Investment Mission," 3 May 1993; "Ontario Changing Trade Strategy," *Globe and Mail*, 24 April 1993, B2.

⁹² Commentary provided by Alain-G. Gagnon, Director, Quebec Studies, McGill University, April 1996.

⁹³ These figures provided by Alain Gagnon, Quebec Studies, McGill University, May, 1996.

Boston, and Los Angeles — in premises rented from and shared with the National Bank of Canada; the National Bank-Quebec Government association is the first of what provincial finance minister Bernard Landry called “Quebec’s new approach in international trade.”⁹⁴

British Columbia has also seen some cutbacks in foreign delegations, with only three offices remaining as “full offices”: one in Tokyo, one (BC House) in London, and one in Seattle. All other offices — of the eleven existing in 1994 — have become either “contractor/agent” (Hong Kong and Taiwan), “contractor” (Singapore, Bangkok, and Kuala Lumpur), “student-intern” (Beijing and Guangzhou), or “agent” (Kobe).⁹⁵ Clearly, budgetary deficits and attendant cuts have had an impact on the international activities of British Columbia as well as on those of Ontario, Quebec, and other provinces.

Some politicians and journalists were harshly critical of Harcourt for his trade trips to Asia and to Europe; former Liberal house leader Jeremy Dalton summed up this sentiment when he stated that “there are far more important things to be done in this province instead of flying off elsewhere.”⁹⁶ Others have opined likewise. Harcourt’s return to Europe in early 1994 was the provincial government’s response to this criticism. To try to combat a growing “boycott BC” forest products campaign in Europe, the BC premier travelled to a number of European countries and met local politicians, media, and interest groups. Rather than writing an international response to perceived threats to the BC economy for a federal government, the BC government of the mid-1990s took direct action. The agenda of the Glen Clark-led NDP administration, during its interim period, was much more provincial/domestic in focus than was the agenda of the Harcourt administration. Jobs and the economy, protection of education and health care, and ensuring environmental sustainability were Clark’s essential foci. Taking on Ottawa over such matters as the Pacific fishery was about as far as the provincial agenda strayed from BC. The 1996 electoral opposition parties had a similar domestic emphasis. Outside of the 1996 election, however, many of the issues confronting BC on an ongoing basis have become intermestic, and such an approach to policy now seems inevitable.

⁹⁴ Montreal Gazette, “Quebec Resurrects Trade Offices,” in *Vancouver Sun*, “National news in brief,” 26 June 1996, A3.

⁹⁵ See *International Offices*, Appendix I, BC Ministry of Employment and Investment, BC110, 1996. The information includes a listing of each office (ii), the type of representation, and its “current status,” up to June 1996.

⁹⁶ Keith Baldrey, “Son of Salesman Defends Trip to Promote BC,” *Vancouver Sun*, 4 May 1993, D4.

CONCLUSION

In this article we have presented a typology of intermestic interactions of provincial/state governments, discussed factors influencing the international activities of subnational governments, and examined paradiplomatic policy phases in the province of British Columbia.

The growth of interdependence has been an overriding *international factor* motivating the international activities of British Columbia in both the economic and environmental spheres. Although the production and export of value-added products and tertiary economic activity generally have increased in recent years,⁹⁷ a significant component of the BC economy remains resource-based, dependent on the export of semi-processed and unprocessed products. The province relies on foreign investment and export markets for its resource industries, and they remain highly vulnerable to fluctuations in the global economy.

The United States, the Asia Pacific Region, and the European Union account for about 95 per cent of BC's export revenues, and the province's international activities have focused primarily on these three areas. Both British Columbia's high degree of dependence on the US market and its involvement in NAFTA have been powerful motivating forces for closer linkages, particularly in the Pacific Northwest. While these interconnections increased dramatically during the NDP government of Mike Harcourt (1991-96), they have had a major impact on all BC governments, regardless of party affiliation. British Columbia trades relatively more with the Asia Pacific and EU countries than does Canada as a whole, and all recent BC premiers (again, regardless of party affiliation) have sought to strengthen ties with the Asia-Pacific.

Environmental linkages have developed primarily in the Pacific Northwest. British Columbia, Washington, and Oregon share an environmentally sensitive ecoregion, and awareness is growing that only together can they deal with problems such as pollution, conservation, and fishery enhancement. For some issues, economic and ecolo-

⁹⁷ On the growth of the tertiary economic sector in British Columbia, see, for example, Michael Howlett and Keith Brownsey, "British Columbia: Public Sector Politics in a Rentier Resource Economy," in K. Brownsey and M. Howlett, eds., *The Provincial State: Politics in Canada's Provinces and Territories* (Toronto: Copp Clark Pittman, 1992), 265-95; and P.J. Smith, "British Columbia: Public Policy and Perceptions of Governance," in James Bickerton and Alain-G. Gagnon, eds., *Canadian Politics: An Introduction to the Discipline* (Peterborough: Broadview, 1994), 507-12. By 1941, 60 per cent of BC's workforce was service-based; primary resource extraction had shrunk to 25 per cent of provincial employment. The BC economy is now approximately 75 per cent tertiary, most of this located in the Georgia Basin metropolis.

gical problems span a wider area, including Alberta, Alaska, Montana, Idaho, and even California; however, here, as in the disputes over salmon harvesting, Canadian-American and BC-Alaskan (and Washington/Oregon) relations have been troublesome. As part of British Columbia's globalist phase, the province is attempting to increase its economic competitiveness, while also grappling with environmental problems (such as sustainable development) that are both global and regional (i.e., Pacific Northwest) in scope.

In addition to global and regional interdependence, *national* and *subnational factors* have also played a role in British Columbia's subnational diplomacy. For many years, BC was largely content to be a mediating actor, encouraging the federal government to adopt policies supportive of the province. However, the difficulties of central governments (including Canada) in finding adequate solutions for policy problems confronting local communities have caused BC to play a much more active role. In Canada, there are also ongoing Constitutional questions; these have encouraged the BC government to become more directly involved with natural resource issues at an early stage (see above discussion re: Premier W.A.C. Bennett and the Columbia River Treaty). Most recently, the government has focused on the division of powers over the fishery. Feelings of Western alienation are also long-standing, and the belief persists that Ottawa's interests and priorities are often quite different from those of British Columbia.

A powerful subnational factor in the BC case has been the skills and experience gained from engaging in subnational diplomacy. This article describes how BC constituent diplomacy has progressed from an incremental and largely ad hoc policy phase to a rational policy phase, to a strategic policy phase, and finally to an emerging globalist policy phase. Despite setbacks and constant problems with competing domestic budgetary requirements, successive premiers have built upon the international activities of their predecessors.

Finally, in British Columbia, the *individual-level factor* cannot be forgotten. This factor was especially notable in earlier periods, before international activities became regularized. It continued to find expression even more recently though: premiers Barrett and Vander Zalm, in particular, attempted to follow some policies that were markedly different from those of the federal government. While both premiers served to raise BC's international profile, their objectives were often frustrated due to federal-provincial (and BC-US) conflict. The individual factor has also been important in the case of less

flamboyant personalities, such as premier Harcourt. For example, Harcourt's mayoral experience with promoting Vancouver as a global city played a major role in shaping his international agenda as premier.

When we consider the international, national, subnational, and individual factors together, the British Columbia case study demonstrates that there are inexorable pressures for subnational governments to assume a greater policy-making role in the international economy vis-à-vis a range of global problems. Whether BC governments have been led by the leftist-leaning New Democratic Party or the rightist-leaning Social Credit (or Liberal) Party, successive premiers have continued on a path of regularizing and increasing the province's international activities. Despite occasional setbacks, and competing budgetary priorities, the general direction of BC's constituent diplomacy has both grown and become more rationally-based.

A variety of factors account for the increasing importance of subnational international relations. These include the growth of interdependence resulting from advances in technology and communications; the emergence of "new" issues (e.g., the environment, terrorism, currency fluctuations, and health issues such as AIDS and Ebola), all of which are transnational and cannot be dealt with solely by individual states; the propensity of subnational governments to adopt increased responsibilities and functions because of the declining problem-solving ability of nation states; and the tendency of individual citizens to direct their expectations increasingly to subnational units (what Rosenau refers to as "subgroupism"⁹⁸). Although the nation state continues to be the most important actor in international relations, today's dual tendencies of transnationalism and subgroupism indicate that the study of subnational constituent diplomacy with regard to governments such as that of British Columbia requires more attention by specialists in both international and national/provincial politics. The case of British Columbia — and the Pacific Northwest — supports the conclusion that subnational governments have become important international actors.

⁹⁸ Rosenau, *Turbulence in World Politics*, 12-13.