

# The Concept of a North American Community – Is It DOA?

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The purpose of my comments this afternoon is to stimulate discussion and reaction to the concept of a North American community. Does anybody in Canada, the United States or Mexico identify with North America? If so, in what ways? Why would we want to create a North American community? What would it look like? Is it possible with such vast differences between Canada and the United States on one hand and Mexico on the other? Even Robert Pastor,<sup>2</sup> something of a “one man band” for deeper North American integration, in an address to the European Union Centre at the University of Miami in June, 2005, opined that:

A community in North America is simply not possible while the people of one of the nations earn on average one-sixth of the income of people living next door.<sup>3</sup>

We are one year away from the 15<sup>th</sup> anniversary of North American

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<sup>2</sup> Robert A. Pastor is the author of *Toward a North American Community: Lessons from the Old World for the New*, (Washington, DC, *Institute for International Economics*, 2001). He is Director of the *Center for North American Studies* at American University, Washington, D.C.

<sup>3</sup> *North America: Three Nations, a Partnership, or a Community?* Jean Monnet / Robert Schuman Paper Series, 2005, Vol. 5, No. 13, p. 10. I spoke to Robert Pastor in preparation for my lecture in January 2007 and he reiterated his opinion that there is no North American community right now and that now is not a propitious time to argue for its development, either in the United States or Canada.

Free Trade Agreement (NAFTA) and the 20<sup>th</sup> anniversary of the Canada-United States Free Trade Agreement. The Security and Prosperity Partnership Agreement (SPP) was signed in March, 2005 by then Prime Minister Paul Martin, then President Vicente Fox and President George Bush.<sup>4</sup> There are numerous groups, official and unofficial, working on aspects of both Canada's bilateral relationships in North America, as well as working to "trilateralize" issues wherever that makes sense.

NAFTA has been successful by most criteria upon which trade agreements are judged: it has reduced barriers to trade and investment in North America and has helped us understand the potential of enhanced economic integration. The terrorist attack of 9/11 has forced us to think about security integration and has led to the development of initiatives such as the Smart Border Declarations.<sup>5</sup> And the SPP acknowledged crucial links between trade and security and added incrementally to the economic and security integration of North America. But these developments have not led us, the peoples of Canada, the United States and Mexico, to think of ourselves as part of a North American community or as North Americans.

For some, a "big idea" is needed to move the North American agenda forward. Proponents of the big idea include Robert Pastor, Wendy Dobson<sup>6</sup> and Allan Gotlieb.<sup>7</sup> Then there are those who support incremental change and I would include in this group the Council on Foreign Relations<sup>8</sup> the North

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<sup>4</sup> Joint Statement by President Bush, President Fox, and Prime Minister Martin, *Security and Prosperity Partnership of North America*, March 23, 2005, [http://www.spp.gov/2005\\_launch.asp](http://www.spp.gov/2005_launch.asp).

<sup>5</sup> Foreign Affairs and International Trade Canada, *Action Plan for Creating a Secure and Smart Border, The Canada-US Smart Border Declaration*, <http://www.dfait-maeci.gc.ca/anti-terrorism/declaration-en.asp>, December 12, 2001, and [http://geo.international.gc.ca/can-am/main/border/smart\\_border\\_declaration-en.asp](http://geo.international.gc.ca/can-am/main/border/smart_border_declaration-en.asp). Also, *US-Canada Smart Border/30 Point Action Plan Update*, December 6, 2002, <http://www.state.gov/p/wha/rls/fs/18128.htm>.

<sup>6</sup> Wendy Dobson, "Shaping the Future of the North American Economic Space: A Framework for Action," *The Border Papers*, No. 162, C.D. Howe Institute, Commentary, April 2002.

<sup>7</sup> Allan Gotlieb, "A North American Community of Law," *Borderlines: Canada in North America*, Woodrow Wilson International Center for Scholars, February 27, 2003.

<sup>8</sup> Report of an Independent Task Force Sponsored by the Council on Foreign Relations with the Canadian Council of Chief Executives and the Consejo Mexicano de Asuntos Internacionales, *Building a North American Community*. Task Force Chairs: John P. Manley, Pedro Aspe, William F. Weld. (New York, N.Y.: Council on Foreign Relations, 2005).

American Competitiveness Council<sup>9</sup> and most politicians in Canada, the United States and Mexico.<sup>10</sup>

However, everyone does seem to agree that the status quo is not good enough. We will not be able to realize the benefits of continental action and thinking, if we cling to the status quo. Robert Pastor raised the choices for us in the very title of his speech at the University of Miami: “North America: Three Nations, a Partnership or a Community?”

I provide the following tables to help us better understand the economic, social and political contexts of the three countries. Some of the tables are self-explanatory. For others, I have provided brief comment.

**Table 1: Demographics and Background Data**

	<u>Canada</u>	<u>Mexico</u>	<u>U.S.</u>
Total area (sq km)	9,984,670	1,972,550	9,631,418
Population <sup>b</sup>	32,805,041	106,202,903	295,734,134
Population growth rate <sup>b</sup>	0.90%	1.17%	0.92%
Birth rate <sup>a, b</sup>	10.84	21.01	14.14
Death rate <sup>a, b</sup>	7.73	4.73	8.25
Net migration rate <sup>a, b</sup>	5.9	-4.57	3.31
Total population life expectancy at birth <sup>b</sup>	80.1	75.19	77.71

Source: CIA, *The World Factbook*, 2006.

<sup>a</sup> Per 1000 population.

<sup>b</sup> 2005 estimate.

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<sup>9</sup> North American Competitiveness Council, *Enhancing Competitiveness in Canada, Mexico, and the United States: Private-Sector Priorities for the Security and Prosperity Partnership of North American (SPP)*, 2007.

<sup>10</sup> Although I would put brackets around Mexico. Under President Fox and possibly now under President Calderón, there would be greater support for a “big idea.”

**Table 2: Economic Aspect: Data on the Economies, 2005**

	<u>Canada</u>	<u>Mexico</u>	<u>U.S.</u>
GDP (million US \$)	1,131,760	768,437	12,455,800
GNI per capita (million US \$)	34,377	7,070	41,637
Inflation, GDP deflator (annual %)	3.2	5.4	2.7
Time required to start a business (days)	3	58	5

*Source:* The World Bank Group, *World Development Indicators Database*. Country Data Profiles: United Nations Statistics Division, *National Accounts*.

**Table 3: Trade and Foreign Investment, 2005 (Canada)**

	<u>U.S.</u>	<u>Japan</u>	<u>UK</u>	<u>China</u>	<u>Mexico</u>
Merchandise exports to country as share of total (%)	83.9	2.1	1.9	1.6	0.8
Goods imports from country as share of total (%)	56.5	3.9	2.7	7.8	3.8
Foreign direct investment in Canada by country (%)	64.1	2.6	7.2	1.8	.05
Canadian direct investment in country (%)	46.0	1.6	9.2	1.0	0.7

*Source:* Foreign Affairs and International Trade Canada, *Seventh Annual Report on Canada's State of Trade*, June 2006; CANSIM Table 376-0051.

Since the implementation of NAFTA annual trade among the three countries has almost tripled from U.S. \$297 billion to U.S. \$810 billion in 2005. Our three countries now conduct U.S. \$2.2 billion in trade every day (Canada/U.S. trade being about \$1.6 billion). Economic growth in the three countries has been robust with real GDP rising over the period of the NAFTA by 40 percent in Mexico, 48 percent in the U.S. and 49 percent in Canada.<sup>11</sup>

<sup>11</sup> U.S. Trade Representative Rob Portman, "NAFTA partners seek to build on trade pact's success, says Portman." U.S. Department of State, March 22, 2006, <http://usinfo.state.gov/wh/Archive/2006/Mar/22-314076.html>.

**Table 4: Economic and Social Aspect:  
Human Development Index\***

		<u>High</u>	<u>Medium</u>	<u>Low</u>
Antigua and Barbuda	60		✓	
Cameroon	148			✓
Canada	<b>5</b>	✓		
Iceland	2	✓		
Libya	58		✓	
Macedonia	59		✓	
Madagascar	146			✓
Mexico	<b>53</b>	✓		
Niger	177			✓
Norway	1	✓		
Sierra Leone	176			✓
Swaziland	147			✓
Uganda	144		✓	
United States	<b>10</b>	✓		
Zimbabwe	145		✓	

*Source:* United Nations Development Programme, *Human Development Report*, 2005.

\*Measures achievements in life expectancy, educational attainment and adjusted real income.

**Table 5: Political Indicators**

	<u>Canada</u>	<u>Mexico</u>	<u>U.S.</u>
Voice & Accountability	95	54	89
Political Stability	79	36	49
Government Effectiveness	96	57	92
Regulatory Quality	95	62	93
Rule of Law	95	40	92
Control of Corruption	94	44	92

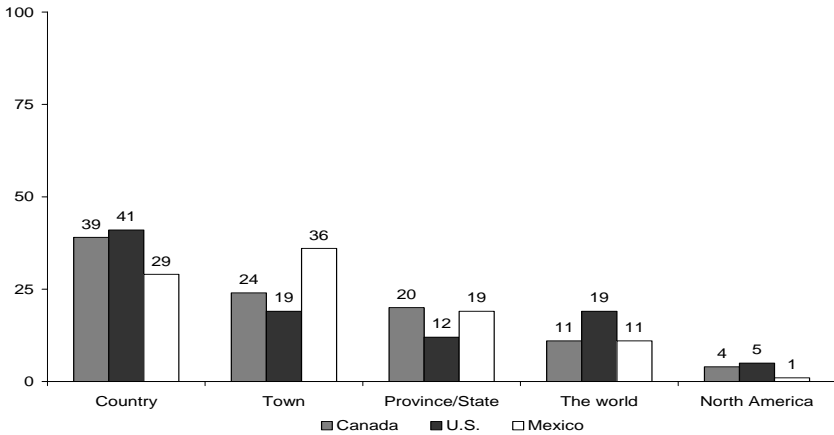
25 - 50th PERCENTILE
50 - 75th PERCENTILE
75 - 90th PERCENTILE
> 90th PERCENTILE

*Source:* The World Bank, *Worldwide Governance Indicators*, 2006.

Table 6 reflects a “forced choice” for respondents. They chose only one of the five categories. I don’t find it surprising, when forced to choose a primary identity that so few Canadians, Americans and Mexicans would identify first with North America. In my opinion, the result merely reflects the reality of our lives, in that most of us do not identify ourselves as North Americans. And would such identification have meaning other than as a simple geographic reference?

**Table 6: Primary Identity**

Q. To which of these groups would you say you belong first and foremost?

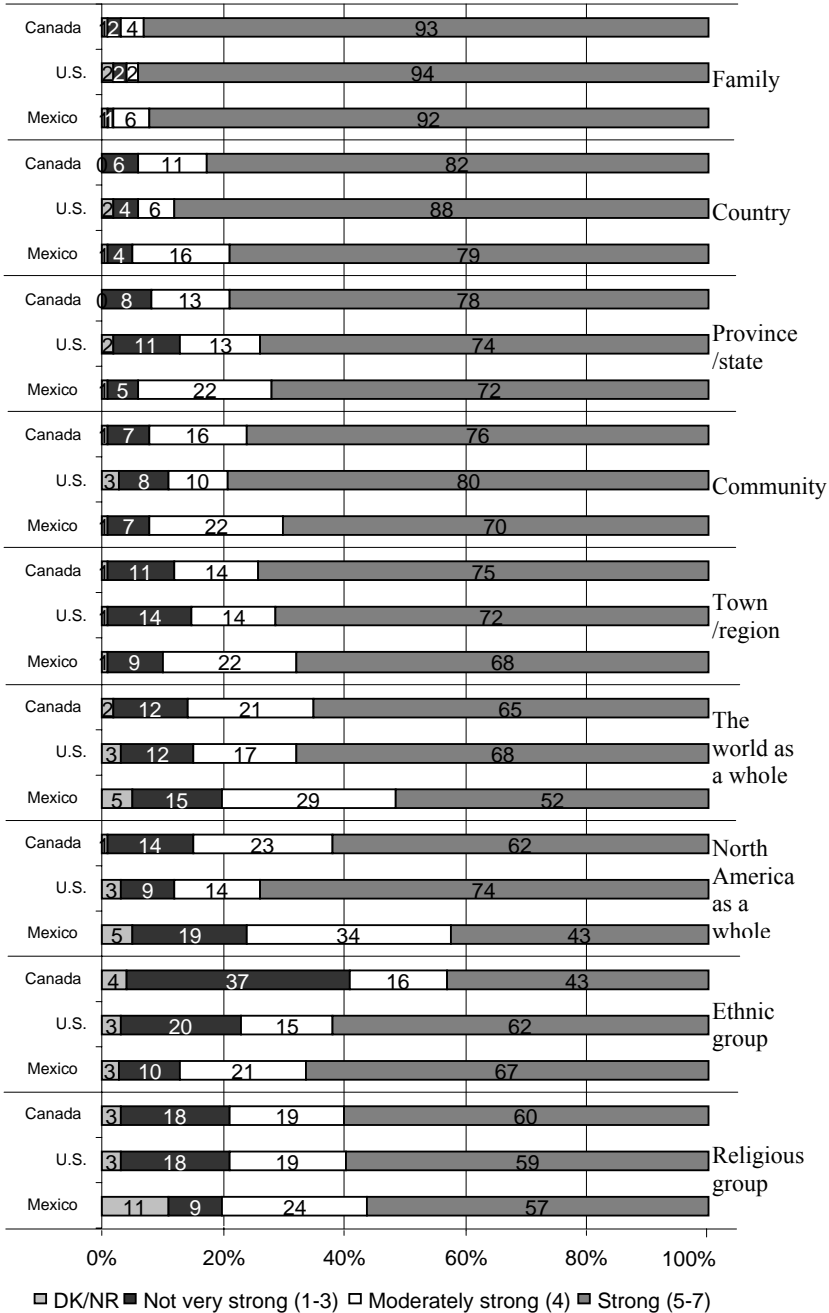


Source: Ekos Research, *Rethinking North America 2006: The Road Ahead*.

Interestingly, when asked to quantify, as in Table 7, one’s personal sense of belonging to each of a number of categories including “North America as a whole” the responses indicate a fairly high level of comfort with the concept of a North America on the part of Canadians and Americans, with 85 percent of Canadians indicating a moderate or strong sense of belonging and 88 percent of Americans so indicating. Mexican respondents, however, felt a lesser sense of belonging to North America, with only 77 percent indicating a moderate or strong sense of belonging. This may be due to the fact that some Mexicans will feel more comfortable describing themselves as part of “Latin America,” where one presumes there would be greater linguistic and cultural affinity. My question would be to what do these respondents think they belong when they say they have a personal sense of belonging to North America? Again, is it something more than a geographic reference in their lives? Is there a sense of something larger or deeper and, if

**Table 7: Sense of Belonging**

Q. Some people have a stronger sense of belonging/identity to some things than others. Please tell me how strong your own personal sense of belonging is to each of the following.



so, what is it?<sup>12</sup>

It has been suggested that, in Europe, we see the development of multiple loyalties, with the focus on the nation supplemented by European and regional affiliations, above and below.<sup>13</sup> Jennifer Welsh has written about this phenomenon in the following terms: “The objective of European integration is to facilitate the existence of multiple identities – not to subsume national identity within one larger, homogeneous construct.”<sup>14</sup>

There is no reason to believe that a similar development of multiple loyalties could not take place in a more integrated North America. People would have a sense of loyalty or belonging not only to their country (their primary loyalty) but would also feel comfortable being part of a North American community as well as sub-national or regional communities. Some of these regional communities will be cross-border. Regional politicians, officials and the private sector have been active, perhaps because of perceived inaction by their political leaders at the national level, in developing regional mechanisms to further shared interest and identities. A recent example of the phenomenon in the North American, trilateral context was the 2006 meeting of the Western Premiers, to which were invited governors from the U.S. and Mexico from the Western region. The news release issued after the meeting referred to “Canadian Premiers and Governors from Mexico and the United States of America who see themselves as an integral part of North America”. They went on to recognize “that ongoing cooperation and engagement at the provincial/territorial and state level of all three countries is vital to achieving their common objectives of physical and human security and equitable prosperity throughout North America.”<sup>15</sup>

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<sup>12</sup> I want to thank Frank Graves and Ekos Research for providing the information in Tables 6 and 7. They are taken from *Rethinking North America 2006: The Road Ahead*.

<sup>13</sup> William Wallace, *The Transformation of Western Europe* (New York: Royal Institute of International Affairs / Council on Foreign Relations, 1990), pp. 5-6, as quoted in Stephen Blank, “Building the North American Community: Next Steps,” *Looking Ahead*, Vol. xxiv, No 1, p. 8.

<sup>14</sup> Jennifer Welsh, *North American Citizenship: Possibilities and Limits, Art of the State II, Thinking North America*, Vol. II, No. 7, 2005, p. 43.

<sup>15</sup> *News release*, 2006 Western Premiers’ Conference, Gimli, Manitoba, May 29-31, 2006. The Pacific North West Economic Region (PNWER), the Council of New England Governors and Eastern Canadian Premiers, and the Council of Great Lake Governors are long standing examples of regional organizations that reflect the reality of cross-border identities and interests. See also Earl H. Fry,

However, Robert Pastor, who wrote *Toward a North American Community*, offers perhaps a more realistic assessment of our attachment to North America: “In spite of success of NAFTA, few in North America or outside view the region as anything more than three sovereign countries – a global super power and two uncomfortable neighbours.”<sup>16</sup>

Over these past five years there has been a considerable amount of “think tank” research and opinion generated on North America. However, all the major work that has been done recently has been done under the shadow of 9/11 and the images of borders closing for days and not returning to normal for weeks, at the cost of billions of dollars to the North American economy.<sup>17</sup>

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“The Role of Sub-National Governments in North American Integration,” *Art of the State*, Vol. II, No. 3, *Institute for Research on Public Policy*, 2004.

<sup>16</sup> Pastor, *supra* note 3, p. 1. In a conversation I had with Tom d’Aquino, of the Canadian Council of Chief Executives, in January 2007, he suggested that we have only “a vague awareness of our existence as North Americans.”

<sup>17</sup> A sampling of the major Canadian studies done recently on the subject of North America include:

(i) Institute for Research on Public Policy: *The Art of the State II – Thinking North America: Prospects and Pathways*. This multi-volume set of papers involved Canadian, American and Mexican experts. As stated in their forward, the IRPP outlines their objective to be: “...to remedy gaps in the public discourse and understanding of how three proud and sovereign nations could advance common causes and manage their increasing interdependence.” (The occasion being 15<sup>th</sup> anniversary of the Canada-U.S. FTA and 10<sup>th</sup> anniversary of NAFTA, 2005).

(ii) CD Howe Institute: *The Border Papers*. This is a series written over a period of time (2002 – 2005) examining specific policy challenges Canada faces as it moves toward deeper Western Hemispheric integration. The purpose of the series was to discuss “how Canada, the United States and possibly Mexico, can achieve greater physical and economic security without loss of sovereignty and the erosion of the distinctive political and cultural institutions the people of each country hold dear.”

(iii) Council on Foreign Relations: *Building a North American Community* (May, 2005). The Foreword states: “America’s relationship with its North American neighbours rarely gets the attention it warrants. This report of a Council-sponsored Independent Task Force on the Future of North America is intended to help address this policy gap ... This report examines these and other changes that have taken place since NAFTA’s inception and makes recommendations to address the range of issues confronting North American policymakers today: greater economic competition from outside North America, uneven development within North America, the growing demand for energy and threats to our borders.” (The co-chairs of this Task Force were John Manley, former Deputy Prime Minister of Canada, William Weld, former Governor of Massachusetts and Pedro Aspe, former Finance Minister of Mexico.)

(iv) Canadian Council of Chief Executives (CCCE). “The need for a comprehensive North American strategy integrating economic and security issues led the CCCE to

My interest in thinking more systematically about North America began after 9/11, with particular focus on the U.S. border and how we could prevent the closing of the border again, if another attack took place. But I quickly came to understand that from the perspective of the U.S., it has two borders of equal importance, albeit very different in the ways they are treated.

I also came to realize that while the treatment of the two borders by the U.S. would be different, the challenge we all faced was not so different; that being how we facilitated the movement of low risk goods and people across the borders, while identifying those high risk people or goods which might constitute a threat to our shared security.

The Council on Foreign Relations, in their 2005 report entitled *Building a North American Community*, put the challenge for the three countries in these terms:

At the beginning of the 21<sup>st</sup> century, the future of Canada, Mexico and the United States are shared as never before. As a result, all three countries face a historic challenge: Do they continue on a path of co-operation in promoting more secure and prosperous North American societies, or do they pursue divergent and ultimately less secure and less prosperous courses?<sup>18</sup>

The Council goes on to say that to ask the question is to answer it.

I believe that the SPP, signed by Presidents Fox and Bush and Prime Minister Martin in March of 2005, constituted a partial response to the question asked by the Council on Foreign Relations. The three leaders spoke of a commitment to co-operative and joint actions. It was a response, I believe, that pointed us in the right direction, in acknowledging our shared interests and growing interdependence, while also acknowledging different challenges

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launch its North American Security and Prosperity Initiative (NASPI) in January 2003". The Initiative proposed a strategy with five main elements: (a) reinventing borders; (b) maximizing regulatory efficiencies; (c) negotiation of a comprehensive resource security pact; (d) reinvigorating the North American defence alliance; (e) creating a new institutional framework. "The CCCE believes that Canada's interest, as well as those of the US and Mexico, will be served best by a strategy that is continental in its scope, comprehensive in its approach, and coherent in its development and execution."

<sup>18</sup> Report of an Independent Task Force Sponsored by the Council on Foreign Relations, *supra* note 8, p. 1.

and sensitivities among the three countries.<sup>19</sup>

I do take umbrage with Robert Pastor's description of the SPP as a "timid, paper shuffling exercise, that measures success by the number of bureaucratic meetings."<sup>20</sup> But I do concede that there was lots of paper and lots of meetings which led to a work plan of over 300 items for action for which I, as Deputy Prime Minister, had the overall responsibility for coordination. The SPP represents an incremental and pragmatic approach to the relationship among the three countries but it is not "a big idea." For those looking for the "big idea," initiatives like the SPP will not only prove to be inadequate but may actually postpone the development of the conditions that could give rise to a "big idea."

However, I do believe there is value for Canadians, Americans and Mexicans to see their leaders together, talking about shared challenges and opportunities and reinforcing the message that our mutual prosperity and well-being are based on a growing interdependence and complementarity of policies and actions.

This realization was forced upon Canadians and Mexicans on September 11, 2001 when the United States closed its borders to us both. Much had taken place in the almost four years since 9/11, both at the ministerial and the officials level, in all three countries, but it was helpful in terms of re-energizing the borders agenda to have our three leaders so clearly

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<sup>19</sup> In keeping faith with his earlier pronouncements (his comments after his election in July 2000 and the Guanajuato Proposal, February 2001) President Fox was the one leader who might have wished to have talked of bigger and more ambitious ideas for integration and the development of a North American community, but with his presidential term coming to an end and domestic politics in all three countries militating against discussion of further North American integration, the SPP represented what was doable politically, at the time. It should be remembered that after President Fox's election in July 2000, he talked of free movement of labour within the regions; a North American currency and fiscal transfers for development in Mexico. In the Guanajuato Proposal, both Presidents Bush and Fox seemed to contemplate a more ambitious agenda: "After consultation with our Canadian partners, we will strive to consolidate a North American economic community whose benefits reach the lesser-developed areas of the region and extend to the most vulnerable social groups in our countries." (Office of the Press Secretary, The White House, "Joint Statement by President George Bush and President Vincente Fox Towards a Partnership for Prosperity: The Guanajuato Proposal." February 16, 2001. <http://www.whitehouse.gov/news/releases/2001/02/20010220-2.html>)

<sup>20</sup> Robert Pastor, "Breaking Out of the Box," *Newsweek International*, March 21, 2006.

support measures that would, we hoped, facilitate the movement of low risk goods and peoples across our shared borders. Also, I think that the SPP was a concrete trilateral initiative at a time when the U.S. was pursuing a course of unilateralism.

One hopes that the SPP process and its commitments will withstand changes of government or leaders, in all three countries. Presidents Bush and Calderón and Prime Minister Harper will meet later this summer to further the SPP agenda. It was encouraging to see, after the Leaders' Summit in Cancun in March of 2006, the creation, under the auspices of the SPP process, of the North American Competitiveness Council (NACC), a new institutional mechanism, albeit informal, for ongoing collaboration among the three countries' private sectors.<sup>21</sup>

So, let's take stock. What do we have in this space called North America? We have:

1. Three very different countries, one of which, the U.S., far outweighs the other two in population, military might, economic strength, cultural power and diplomatic influence and another of which, Mexico, is a developing nation without the same history of political stability or commitment to democratic institutions and the rule of law.<sup>22</sup>
2. Within Mexico, contributing to its political instability, we have a

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<sup>21</sup> The NACC is comprised of senior representatives of the private sector from each country, with a mandate to provide high-level business input that will assist governments in enhancing North American's competitive position. The NACC is comprised of 30 members with equal representation from Canada, Mexico and the United States, with each country determining its own members and the membership selection process. On June 15, 2006, Canadian Minister of Industry Maxime Bernier, Mexican Economy Minister Sergio Garcia de Alba and U.S. Secretary of Commerce Carlos Gutierrez officially launched the NACC at a meeting with North American business leaders in Washington, D.C. After extensive consultation with hundreds of companies, sectoral associations and chambers of commerce throughout Canada, Mexico and the United States the NACC met in Washington, D.C. on August 15 and agreed to focus their initial work on three priorities: border crossing facilitations; standards and regulatory cooperation; and energy integration. The Canadian representatives took responsibility for recommendations on border facilitations, the Mexicans for energy interpretation and the Americans for regulatory cooperation.

<sup>22</sup> Welsh, *supra* note 14, p.35.

more prosperous north and a desperately poor south.

3. Mexico's poverty leads to the migration of people northward in search of a better life. Approximately thirty-five million Hispanics live in the U.S., 20 million of which are Mexican.
4. Significant illegal migration into the U.S. from Mexico has created domestic political problems for Congress and for the President. This illegal migration feeds the notion for some in the U.S. that NAFTA has not worked; that it has cost American jobs. Lou Dobbs comes to mind! As we know, American, Mexican and Canadian jobs are now being lost to China and India; ironically this situation enhances the argument for deeper North American economic integration which in turn should lead to a more globally competitive economic zone.
5. The southern border issue then creates a problem for the other partner in North America - Canada - because American legislators, not wishing to be accused of singling out Mexico and Mexicans for new and aggressive measures at their shared border, treat the northern border more like the southern border. So we have seen the end of some long-standing Canadian exemptions from American border rules,<sup>23</sup> talk of building a fence along some part of the 49<sup>th</sup> parallel and contracts tendered for both unmanned drones and electronic sensor technology to help patrol the northern border; (and here come the minute men!!!)
6. We have one country, the U.S., with a transcendent objective, the securing of the "homeland"; and two countries who face economic calamity if they are seen to be "weak links" in helping to secure that homeland.

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<sup>23</sup> See, for example, the rule promulgated by Animal and Plant Health Inspection Service, USDA, which removes prior exemptions from inspection for imported fruits and vegetables grown in Canada. USDA claims that they need to increase inspections to deal with both the risk of disease-spreading pests and bio-terrorism. The costs of additional screening will be paid by all boats, planes, trucks and rail cars entering the U.S. from Canada regardless of whether they are carrying agricultural products or not. Apparently, this new policy was announced without consultations with Canadian officials and is seen as a non-tariff barrier to the flow of trade in agricultural products.

7. And we have two countries, Canada and Mexico, who generally have practiced “bilateralism,” recognizing the singular importance of the U.S. to each. Canada has gone out of its way to argue that its border with the U.S. should not be treated like the U.S.'s southern border with Mexico; at the same time, within Mexico, there is a growing insistence for political symmetry; making it difficult for the U.S. to develop integrative initiatives with Canada without parallel U.S. – Mexican initiatives.<sup>24</sup> It is becoming clear that bilateral initiatives proposed by Canada must be developed with an eye to bringing Mexico in, at least eventually.<sup>25</sup>
8. Since 9/11, the U.S. has looked inward, both Republicans and Democrats, and has adopted a policy of unilateralism, leading to increased isolation from the rest of the world. Recent global polls indicate growing negative attitudes to both the U.S. and its people. How much of this is directly attributable to a polarizing President and an unpopular war is not clear. However, one of the effects of this popular sentiment is to make it much more difficult for politicians in Canada and Mexico to talk about the next steps toward a more integrated, competitive and secure North America.
9. The political reality in all three countries is such that we are dealing with three “minority” governments. President Bush has entered the “lame-duck” period of his Presidency and the Republicans lost control of both the Senate and the House of Representatives in the mid-term elections of 2006. Prime Minister Harper has a minority government with no signs of a majority in sight and President Calderón won a hotly contested election in which he won 35.89 percent of the popular vote in comparison to his rival Lopez Obrador who won 35.31 percent of the popular vote and proceeded to create his own government in-waiting.

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<sup>24</sup> Rogelio Ramirez De la O, “Mexico: NAFTA and the Prospects for North American Integration,” *The Border Papers*, No. 172, C.D. Howe Research Institute, Commentary, November 2002, p. 2.

<sup>25</sup> Both the North American Competitiveness Council and the Council on Foreign Relations recognize that while continental issues would benefit from a trinational perspective, that it is more likely that progress “will proceed at two speeds in some spheres of policy.” Report of an Independent Task Force Sponsored by the Council on Foreign Relations, *supra* note 8, p. 5.

10. In addition, the far right in the U.S. is beating the sovereignty drum, alleging a conspiracy to give up American sovereignty in the name of a North American Union.<sup>26</sup> Apparently President Bush is part of this conspiracy! In Canada some part of the left, led by Maude Barlow and the Council of Canadians, is alleging that secret meetings have been held to plan for Canadians further integration into something they call Fortress North America.<sup>27</sup> Refreshingly, in Mexico, there appears to be a dearth of conspiracy theories, as most Mexicans, of the right and left, see direct benefits from a closer North American partnership.
11. And, finally, we have new global economic forces – the growth of China and India and the creation of new, regional trade blocks which put pressure on the three countries of North America to decide where they go next and how they get there.

So, my conclusions as they relate to the future of North America and the development of a North American community are as follows:

- 1 This is not the time for a “big idea”; however the status quo is not acceptable.
- 2 We must think more systematically about North America and its

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<sup>26</sup> One example is the Center for Public Conscience. Its February 2007 newsletter dealt exclusively with “the Bush Administration’s commitment to the Security and Prosperity Partnership Agreement (SPP) and to its related plans to create and embrace a regional, supranational government pact.” The newsletter claims that the SPP “will totally transform our ways of life and government ... that it is a partnership ... to join together the political, economic and social interests of (the three) countries and to create a regional entity called the North American Union, modeled after the European Union.” See also an article in the *Edmonton Journal* (May 19, 2007, p A19) reprinted from the *St. Louis Post-Dispatch* by Philip Dine entitled “Superhighway Myth Feeds on Fear” in which he describes the recent musings of conspiracy theorists as a “secret plan to build a super highway, a giant 10 to 12 lane production from the Yucatan to the Yukon...” This “super corridor is to allow the really big part of the plan to take place: the merging of the governments of Canada, the United States and Mexico.”

<sup>27</sup> Most recently Maude Barlow has written criticizing a proposal for a regional cross-border grouping called Atlantica. She links Atlantica to a larger plan to integrate the economies of Canada and Mexico with that of the United States and draws a direct link to the SPP, as the vehicle by which this integration will take place. (Maude Barlow, “Atlantica more than economic union,” *The Chronicle Herald*, June 13, 2007, p. A13.)

potential as a regional partnership to help sustain and enhance the prosperity of the people of all three countries.

3 We do need to confront the conspiracy theories in Canada and the United States around a North American union; otherwise, they stand to derail needed pragmatic action.

4 One of the ways to confront these concerns is to enlarge the discussions around next steps in North America. We must include civil society. Business (the trilateral NACC or national business organizations such as the CCCE) cannot be seen to be the only, or even main, instigators of discussions around further integrative steps. We need a place for citizen-based discussions and consultations.

The role of universities and think tanks could be important here. Why don't we have more exchange programs for students and professors whose fields of research and interest look at issues from a trilateral perspective; why don't we encourage more students from an early age to learn English, French and Spanish? Over time this would facilitate a seamless movement of people and ideas, creating a greater comfort level around the idea of a North American community.

5 We must continue to identify the incremental, pragmatic steps that are necessary to ensure the free flow of low risk goods and people across our borders.

The Smart Borders Accord and the SPP are the kinds of initiatives that both reassured the Americans we were concerned about their security, as well as our own, and facilitated the movement of goods and people. The measures set out in our Smart Borders Declarations and related activities were largely bilateral, but the SPP acknowledges that more of these initiatives will be, and should be, trilateral.

6 We need to talk about a North American perimeter.<sup>28</sup> The Council on

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<sup>28</sup> During my time in the Government of Canada we were reluctant to discuss what I refer to as “the p word” in the context of North America. It invariably led to headlines with some alleging that the Government of Canada was ready to limit our sovereignty or give into a U.S. dictated agenda on security. In fact, moving many aspects of border inspection and security clearance to the perimeter of North America makes good sense,

Foreign Relations recommends a common security and economic perimeter by 2010. We spend too much time fussing over internal borders, when our policies and programs should be pushing borders out to the perimeter of North America and, where it makes sense, off shore.

- 7 Difficult as it may be, we do need to move toward a common external tariff. Complex rules of origin continue to limit the effectiveness of NAFTA. Under the Prosperity Agenda of the SPP, there was a liberalization of rules of origin which we estimated would affect approximately \$20 billion (U.S.) of annual trilateral trade.<sup>29</sup> However, as the Council on Foreign Relations recommends, a common external tariff, developed first on the basis of harmonizing tariffs, sector by sector, would greatly enhance NAFTA's effectiveness.<sup>30</sup>
- 8 We do need to think about additional institutions for North America but not the plethora of institutions we see in the European Union.<sup>31</sup>

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if we are serious about creating an efficient regional trading zone. The SPP takes small steps toward complementary or mutually recognized practices and procedures that will, over time, help to push the border out to the perimeter of North America.

<sup>29</sup> Security and Prosperity Partnership of North America, *Report to Leaders*, [http://www.spp.gov/report\\_to\\_leaders/index.asp?dName=report\\_to\\_leaders](http://www.spp.gov/report_to_leaders/index.asp?dName=report_to_leaders). June 27, 2005.

<sup>30</sup> Report of an Independent Task Force Sponsored by the Council on Foreign Relations, *supra* note 8, p. 21. However, Robert Pastor suggests that only a customs union will eliminate rules of origin. He proposes this as a "bolder goal" and one that should be achieved within five years. (Robert Pastor, "Additional and Dissenting Views," in Report of an Independent Task Force Sponsored by the Council on Foreign Relations, *supra* note 8, p. 39.)

<sup>31</sup> Institutions of the European Union: • The "Institutional Triangle" produces policies and laws that apply throughout the EU: ◦ The European Parliament: represents the EU citizens and is directly elected by them; ◦ The Council of the EU: represents individual member states; ◦ The European Commission: seeks to uphold the interests of the Union as a whole.

• Other Institutions and Bodies of the EU: ◦ The Court of Justice: upholds European law; ◦ The Court of Auditors: oversees the financing of the EU's activities; ◦ The European Economic and Social Committee: represents civil society, employers, and employees; ◦ The Committee of the Regions: represents regional and local authorities; ◦ The European Investment Bank: finances EU investment projects, and helps small businesses via the European Investment Fund; ◦ The European Central Bank: responsible for European monetary policy; ◦ The European Ombudsman: investigates complaints about maladministration by EU institutions and bodies; ◦ The European

NAFTA was created in such a way that trilateral institutions were kept to a minimum, probably as a clear reaction to the EU with its top heavy, bureaucratic institutional structure.

Robert Pastor has suggested a North American Advisory Council, as has the Council on Foreign Relations, which would be an independent body of advisors. It is suggested that it be composed of eminent persons from outside government. Its mandate would be “to engage in a creative exploration of new ideas from a North American perspective and to provide a public voice for North America.”<sup>32</sup>

Also, the creation of a trilateral interparliamentary group is probably long over-due. There is a plethora of bilateral interparliamentary associations in Canada, including with the United States. There is also an interparliamentary association of the Americas. However, there is no trilateral association, in which the parliamentarians of Canada, the United States and Mexico can come together and discuss issues of common concern or interest.

So — what does one conclude from this? Is the concept of a North American community DOA? My cautious response is “no.” However, the process by which we get there will be long and full of political minefields. It will take courage and vision on the part of not only our leaders, at all levels, but on the part of all of us who see the potential of a North American community.

But for the time being, I think the concept with which most people would feel the greatest comfort is that of “partnership.” And, yes, I acknowledge that one partner is much bigger, with more influence and power, than the other two. It will be incumbent upon the United States to use its greater power judiciously. But even the United States needs friends and what better friends to have than its neighbours in North America.

The European Union is now the world’s largest trading zone or

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Data Protection Supervisor: safeguards the privacy of people’s personal data; ○ The Office for Official Publications of the European Communities: publishes information about the EU; ○ The European Personnel Selection Office: recruits staff for the EU institutions and other bodies; ○ The European Administrative School: provides training in specific areas for members of EU staff.

<sup>32</sup> Report of an Independent Task Force Sponsored by the Council on Foreign Relations, *supra* note 8, p. 31.

region — a distinction that the NAFTA countries held until recently. We can't stand still and let the rest of the world overtake us, forming new, more efficient and more powerful trading relationships.

Our partnership will acknowledge our interdependence in North America and that we will all do better working together. We need to learn and understand more about shared challenges and opportunities through, not so much the creation of formal institutionalized processes, but through more grass-roots engagement, be it through our universities, our trade unions, our business organizations or other NGOs.

We must respect each other's differences and understand each other's political sensitivities. However, the status quo is not acceptable — to maintain the present situation is to concede that we do not have the political will or good sense to seize the potential of North America and make it more than a geographic reference.