

## The Three Amigos – A Friendship Worth Preserving?

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“...The futures 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 the path of cooperation in promoting more secure and more prosperous North American societies, or do they pursue divergent and ultimately less secure and less prosperous courses?”<sup>1</sup>

Why did I choose this quote with which to frame my remarks this afternoon? It acknowledges positively the shared interests and increased integration (at least economic integration) of the North American region. It then poses a key question or challenge which the authors, at least in 2005, went so far as to say “that to ask the question was to answer it.”<sup>2</sup> It was self evident to the authors of the Report that there was only one sensible answer – to continue as they say, on the course of further cooperation and one presumes, integration. The Report states that for the three countries to find themselves on divergent paths would be a tragic mistake. But today, four years later, it seems that the answer to the question asked by the Council on Foreign Relations may not be so self-evident, at least to some.

If things have changed –what has changed and why? It seems that there is a growing opinion, at least among some, that trilateralism has not worked for Canada. Former Ambassador to the United States Derek Burney would seem to be a chief proponent of this theory or opinion.<sup>3</sup> He was also a key negotiator of the Canada-US Free Trade Agreement (FTA).<sup>4</sup> But he has been joined by others including Tom d’Aquino of the CCCE (Canada Council of Chief Executives).<sup>5</sup> Rather surprisingly, John Manley (one of the co-chairs of the Report of the Council on Foreign Relations) and former Ambassador Gordon Giffen recently wrote an op-ed for *The Globe and Mail*, in which

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<sup>1</sup> Council on Foreign Relations, *Building A North American Community*, Independent Task Force Report No. 53 (New York: Council on Foreign Relations, May 2005), 1.

<sup>2</sup> Ibid.

<sup>3</sup> Derek Burney, “Engaging Obama,” *Policy Options* 30.4 (2009): 22-26; “Getting it Done in Foreign Policy,” *Canadian Defence & Foreign Affairs Institute* (May 2009).

<sup>4</sup> Michael Hart, Bill Dymond, Colin Robertson, *Decision at Midnight: Inside the Canada-U.S. Free-Trade Negotiations* (Vancouver: UBC Press, 1994).

<sup>5</sup> Thomas d’Aquino, “Remarks by Thomas d’Aquino, Chief Executive and President, Canadian Council of Chief Executives to The National Summit, Detroit” (lecture, The National Summit, Detroit, MI, June 15, 2009); and “Reaching for the Top: Strategic Imperatives for Canada in Transforming the Global Economy” (lecture, The Simon Reisman Honorary lecture, Ottawa, ON, March 27, 2008).

they called for a “table for two – not three,”<sup>6</sup> saying that “Canada and the U.S. should define a new and evolutionary template for our bilateral progress.”<sup>7</sup> Then there is Carleton University’s “Canada / US Project” lead by Derek Burney and Fen Hampson which was a major national dialogue, the purpose of which was to reinvigorate the Canada – US relationship.<sup>8</sup> They argued that border, regulatory, energy security, environmental and defence issues were best resolvable through a “robust bilateral agenda.”<sup>9</sup>

So, what is driving this renewed call for bilateralism after 15 years of NAFTA (North American Free Trade Agreement) –years which can only be described as tremendously beneficial to all three countries, at least as it relates to trade and investment? (Since NAFTA came into effect, trade among the NAFTA partners has more than tripled, reaching US\$894.3 billion in 2007. Over the same period, Canada-U.S. trade has more than doubled, while trade between Mexico and the U.S. has quadrupled. Exchange between NAFTA partners is about US\$2.5 billion in goods on a daily basis and North American employment levels have climbed nearly 24 percent since 1993, representing a net gain of 39.9 million jobs.)<sup>10</sup> In my opinion, the following factors are relevant:

(1) a belief that the benefits of both the FTA and NAFTA are being undermined by the U.S. approach to homeland security after 9/11; the common and accurate refrain that the border is ‘thickening’; that we see a proliferation of non-tariff barriers in the name of national security and that Canada is losing out;<sup>11</sup>

(2) a perceived growing desire on the part of the U.S. to secure both their northern and southern borders in similar ways – not in identical ways– but with growing policy convergence. Canadian reaction was swift when Janet Napolitano suggested that both the southern and northern borders were “real borders” to the U.S. Napolitano has said her job is to be a “myth buster” and one of the myths she is trying to bust is that there is “no real border between Canada and the United States.”<sup>12</sup> Canadian governments have consistently and vigorously argued, since 9/11, that the two borders are different and must be treated differently. We do not have the problem of hundreds of thousands of Canadians trying to enter the U.S. to find a better life, nor do we have the daily challenges presented

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<sup>6</sup> John Manley and Gordon Giffin, “A Table for Two, Not Three: Canada and the U.S. Share a Long-standing Relationship that Doesn’t Include Mexico,” *Globe and Mail*, May 5, 2009.

<sup>7</sup> Ibid.

<sup>8</sup> “From Correct to Inspired: A Blueprint for Canada-US Engagement,” Ottawa: Carleton University Canada-US Project, January 19, 2009.

<sup>9</sup> Ibid. II.

<sup>10</sup> NAFTA Now, “Results: North Americans Are Better Off After 14 Years of NAFTA.” Site is jointly produced by the governments of Canada, the United States, and Mexico. [http://www.naftanow.org/results/default\\_en.asp](http://www.naftanow.org/results/default_en.asp).

<sup>11</sup> See for example: Greg Anderson and Christopher Sands, “Negotiating North America: The Security and Prosperity Partnership,” *Hudson Institute White Paper* (Washington: Hudson Institute, 2007); Stephen Clarkson, *Does North America Exist?: Governing the Continent after 9/11 and NAFTA* (Toronto: University of Toronto Press, 2008); and Danielle Goldfarb, “Reaching a Tipping Point?: Effects of Post-9/11 Border Security on Canada’s Trade and Investment,” (Conference Board of Canada, 2007).

<sup>12</sup> Janet Napolitano, “Remarks by Secretary Napolitano at the Border Trade Alliance International Conference” (lecture, Department of Homeland Security, Washington, D.C., April 21, 2009).

by drug cartels and the violence they create that threatens to undermine civil society. In fairness to Napolitano, she does acknowledge while there is one U.S. law dealing with their borders, that law will be implemented based on an assessment of risk which will involve separate approaches, tools and numbers of personnel;<sup>13</sup>

(3) and finally, at root the feeling that the U.S. is “indifferent to us,”<sup>14</sup> and that to deal with that U.S indifference or inattention to Canadian concerns we need to convince “US leaders that Canada matters and that Canadian issues are important”<sup>15</sup> and that Canada’s “special relationship” or “unique bilateral relationship”<sup>16</sup> with the U.S. is being, at best, complicated by Mexico; and at worst undermined by Mexico's presence at the table.

I do not suggest that this bilateral objective, “of convincing U.S. leaders that Canada and its issues matter,”<sup>17</sup> is not essential to our long-term prosperity and security. But I think we can, and should, challenge the proposed means by which to deal with this situation – basically reverting to a bilateral agenda, where we plaintively invoke the language of a “special relationship,” to the exclusion of our other NAFTA partner Mexico.<sup>18</sup>

My concern is not that we shouldn’t deal with the U.S. bilaterally on certain issues nor that we should not continue to point out important differences between America’s southern and northern borders. Rather it is that too much of what is being written suggests that Canada must chose between bilateralism and trilateralism. That one – *trilateralism* – must undermine the other – bilateralism. That one – *trilateralism* – must erode our “special relationship” with the U.S. I do not accept that it needs to be either/or. Both approaches have served Canada well in the past, depending on the issue at hand and I believe will continue to do so in the future.

### Mexican Reactions

What is the Mexican reaction to this apparent rejection of trilateralism and lack of commitment to an emerging North American space that includes them? They are hurt and confused. We should not underestimate the importance of hurt feelings in foreign relations. One example of these hurt feelings is an op-ed written by Andrés Rozental (former Deputy Foreign Minister – founding President of Mexican Council on Foreign Relations) where he seems both bemused and confused by Canada’s approach “recently to the affairs of North America, accentuating differences rather than similarities and ignoring

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<sup>13</sup> Ibid.

<sup>14</sup> Andrew Cohen, “Canada-American Relations: Does Canada Matter in Washington? Does It Matter If Canada Doesn’t Matter?,” in *Canada Among Nations*, ed. Norman Hiller and Maureen Appel Molot (Toronto: Oxford University Press, 2002), 34-48; and Jeremy Kinsman, “Obama and the North American Family,” *Policy Options* 30.4 (2009), 28-33.

<sup>15</sup> Derek Burney, “Engaging Obama,” 24.

<sup>16</sup> Ibid.

<sup>17</sup> “From Correct to Inspired: A Blueprint for Canada-US Engagement,” Ottawa: Carleton University Canada-US Project.

<sup>18</sup> Manley and Giffin, “A Table for Two, Not Three.”

areas on which effort would be of benefit to all three countries.”<sup>19</sup> He writes: “The idea that Canada has a unique, special relationship with the U.S. that somehow differentiates it from Mexico and other countries with which Washington has close ties – has done much damage to the concept of an integrated North America and has stymied efforts by those of us who strongly believe in the advantages of building a North American community.”<sup>20</sup>

A recent decision by the Canadian government requiring visas for any Mexican national wishing to visit Canada has compounded further these hurt feelings. Mexicans complain about the way the requirement was implemented. I have heard frequently –is this any way to treat a neighbour and partner? While Prime Minister Stephen Harper has attempted to smooth relations with President Calderon at the recent North American Leaders’ summit (August 8-11, 2009 in Guadalajara, Mexico) by blaming Canada’s refugee system for the flow of “bogus” claims,<sup>21</sup> these efforts have clearly not worked.

A senior Mexican senator and former foreign affairs minister, Rosario Green, used the word “humiliating” to describe Canada’s visa controls in her speech at a business and academic gathering in Toronto recently. Her comments were made at the launch of the “Mexico-Canada Initiative,” an undertaking of the Canadian Foundation for the Americas (FOCAL) and the Mexican Council on Foreign Relations (COMEXI).<sup>22</sup> Senator Green bluntly stated “this has to stop” and argued that in response to this and other issues, the North American Free Trade Agreement should be re-launched with a new attitude that recognized Mexico as an equal partner with Canada and the U.S. and not as an irritant.<sup>23</sup> She later made the bold statement that the relationship will improve “when you change prime ministers.”<sup>24</sup>

Similar sentiments have been expressed more diplomatically by the government of Mexico. Mexican Foreign Minister Patricia Espinosa has argued that the imposition of the visa requirement “is not something that is going to help to resolve the problem that Canada’s trying to solve.”<sup>25</sup> She believes that greater emphasis should be place on making use of our positive experience in trilateral cooperation and that a more strategic and deeper approach is needed, that allows families in the US, Canada, and Mexico to benefit from the North American relationship.<sup>26</sup> (According to Citizenship and Immigration Canada, refugee claims from Mexico have almost tripled since 2005 making it the number one source country for claims.)

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<sup>19</sup> Andres Rozental quoted in Jeremy Kinsman, “The Three Amigos –A Work in Progress,” *Policy Options* 30.9 (2009), 57-62. 62.

<sup>20</sup> Ibid.

<sup>21</sup> Andrew Mayeda, “Harper blames Canada’s refugee system for Mexican visa uproar,” *National Post*, August 10, 2009.

<sup>22</sup> Michael Velpa, “Visa controls on Mexico ‘humiliating,’ Senator says,” *The Globe and Mail*, October 24, 2009.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Patricia Espinosa. “Remarks with Mexican Secretary of Foreign Relations Patricia Espinosa Cantellano and Canadian Foreign Minister Lawrence Cannon after the North American Trilateral Ministerial Meeting” (lecture, U.S. Department of State, Washington, D.C., July 16, 2009).

<sup>26</sup> Ibid.

At a more concrete level, NAFTA was an important step for a developing country – it signalled willingness in Mexico to accept greater regional partnership and integration as part of North America. (Mexico is pulled in two directions – north and south.) As Isabel Studer (Director of the Centre for Dialogue and Analysis on North America) has said, “the NAFTA process of integration had important symbolic value that indicated the vision of a modern country ready to face the issues associated with globalization.”<sup>27</sup> And as a result of NAFTA, Mexico undertook important reforms in domestic legislation in areas such as intellectual property rights, competition law and foreign direct investment. (These reforms often matched U.S. legislative and regulatory standards.)

In Mexico, many see NAFTA as only a small step toward a more integrated North America – many in Mexico argue that integration should mean more than increasing trade and investment. NAFTA did not bring the wide prosperity and improvement to quality of life that some advocates had promised. So Mexico, more than its northern partners, has advocated for enhancing integration (albeit with its share of critics) and sees recent Canadian musings as a “slap in the face”; a “tone deafness” to the “leap of faith” and to the “political risk” that Mexicans took when they turned their face north.

Mexico’s economy “is mired in recession”<sup>28</sup> or “free-fall.” While financial-market indicators and consumer and business confidence are reported to be picking up, data released from the real economy have shown sluggish signs of recovery. (Industrial production fell by 10.6% year on year in May, mainly a reflection of a 14.8% fall in manufacturing production as the sector suffered from the continued pressure from the U.S. recession, as well as the effects of swine flu.)<sup>29</sup> In addition to falling output in the auto industry and consumer durables, Mexico’s public finances call into question the country’s fiscal sustainability. Public finances continue to be hinged on volatile oil revenue (which have accounted for almost two-fifths of federal revenues).<sup>30</sup> Compounding this problem is that oil exports are declining more rapidly than anticipated, likely making Mexico a net importer of oil as early as 2013. Alternative revenue sources are weak.

The prospect of growing civil unrest is real – President Calderon lost badly in mid-term elections in July. Is it possible for him to govern – to form alliances with PRI – who won many seats in mid term elections? A robust reform agenda is impossible. We must remember that Mexico is a fledgling democracy. 70 years of PRI rule ended only in 2000 with the election of President Fox. That was the first time in Mexican history that an incumbent government peacefully surrendered power to an elected member of the opposition. I am not suggesting that democracy in Mexico is in jeopardy –but I am suggesting that Mexico needs help to continue strengthening its democracy.<sup>31</sup>

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<sup>27</sup> Isabel Studer, “Obstacles to Integration: NAFTA’s Institutional Weakness,” *Requiem or Revival? The Promise of North American Integration*. ed. Isabel Studer and Carol Wise (Washington: Brookings Institution Press, 2008). 54-75.

<sup>28</sup> The Economist, “Mexico’s Troubled Oil Industry,” *The Economist*, October 3, 2009. 43-44.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> For more discussion on democracy in Mexico see: Shannon O’Neill, “The Real War in Mexico,” *Foreign Affairs*, July/August 2009.

Finally, Mexicans see that they and Canada can make common cause on a number of important issues when dealing with Washington, and that two may be more influential than one, in a capital where the world vies for attention and action. “Buy America” is a recent example where both countries are being impacted adversely and both Prime Minister Harper and President Calderon made their shared concerns known to President Obama at the recent summit in Guadalajara (August 2009). Another area in which Canada should have common concern is with Mexico’s on-going drug wars. Guns and money flow south from the U.S. to help fuel these wars, a fact that the U.S. has acknowledged. But the drug cartels are starting to extend their tentacles north into Canada and in addition, most of the handguns and assault weapons used by gangs and others on the streets of Calgary, Edmonton, Vancouver and Toronto have come to Canada illegally from the U.S., just as they have in Mexico.<sup>32</sup>

### American Reactions

And what do the Americans think about all this? It is probably not possible to be definitive, with a new administration in Washington, dealing with the worst economic crisis since the Great Depression, wrapping up one war, becoming a dominant presence in another, dealing with spiralling health costs where 40 million people have no, or inadequate, health coverage and a higher real employment rate than most can remember. Probably what they want is no trouble in the neighbourhood or “the hood” as President Bush used to refer to it. As with any neighbours, they want us to be supportive and helpful in times of difficulty or crisis and not distract them from pressing concerns.

We do know that President Obama made his first foreign visit to Canada; his first foreign visitor in Washington was President Calderon; he then went to Mexico in April of this year. It has been said that President Obama’s visit to Mexico in April was a symbolic show of support for a somewhat besieged President Calderon, offering reassurance that the United States would continue to support efforts on crime and drug violence, migration issues, border issues and on-going structural reform of the Mexican economy.<sup>33</sup> Then we had the meeting of our countries’ three foreign ministers, Cannon, Clinton and Espinosa in July ’09 in advance of the Leaders Summit in Guadalajara in August. Then all three leaders were together again at the G-20 in Pittsburgh in September.

Secretary of State Clinton has noted that trilateral consultation is the kind of partnership that the U.S. is very committed “to not only building but... really deepening and broadening.”<sup>34</sup> But it is hard to believe that this Administration will want to use up ever-depleting political capital to develop a new or enhanced strategy for the further development of a North American community. Domestic critics are many, including Lou Dobbs, the labour unions (although they see China as the bigger challenge and may give

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<sup>32</sup> Carlo Dade, “Mexico is in the Third Seat at the Canada-US Table,” FOCAL (Canadian Foundation for the Americas) Policy Brief, January 26, 2009.

<sup>33</sup> Tracy Wilkinson, “Awaiting Obama, Mexico hopes for change.” *Los Angeles Times*. April 16, 2009.

<sup>34</sup> Hillary Clinton, “Remarks With Mexican Secretary of Foreign Relations Patricia Espinosa Cantellano and Canadian Foreign Minister Lawrence Cannon After the North American Trilateral Ministerial Meeting,” (lecture, U.S. Department of State, Washington, D.C., July 16, 2009).

President Obama a pass on NAFTA) and the conspiracy theorists.<sup>35</sup> However, the U.S. might hope that Canada would step up to the plate and put some brain power and resources behind the challenges facing the North American region, and in particular, those facing our Mexican partner.

Here, I want to mention something of which few of us give much thought – at least in Canada – that which is called by some “the burden of primacy,” under which the U.S. labours. This theory, which re-iterates the ideas of previous scholars about the role of the United States in the world, surfaced again in a fairly recent book by Josef Joffe entitled *Überpower*.<sup>36</sup> He states: “Primacy does not come cheap and the price is measured not just in dollars and cents but in the currency of obligation.”<sup>37</sup> Just perhaps, at this time in the life of the world’s only super-power, a little help in discharging the burdens / obligations that go with primacy would be viewed positively, especially when offered by a neighbour and friend such as Canada. Maybe this is one way in which Canada could deal with America’s indifference (if it in fact exists).

We can lend a “helping hand” in the neighbourhood instead of attempting to exclude Mexico from important continental discussions. Let’s ensure that we include Mexico wherever it makes sense. Let’s make more of an effort to understand both the challenges and priorities of Mexico and do what we reasonably can to help them meet those challenges and deliver on their priorities. In my opinion that would be both the right thing to do for a good friend and partner (Mexico) and a smart, strategic thing to do when we know our other partner (the U.S.) would like some support in helping Mexico deal with serious problems, some of which have already spilled over into Canada. Enlightened self-interest is not such a bad thing!

#### Conclusion: The Way Forward in North America

Let me offer some concluding thoughts on the way forward in the three countries that comprise the North American Region.

First and most importantly, because all else will flow from the answer to this question, we must ask: Is there a belief in the three countries that something called North America goes beyond a mere geographic reference – that NAFTA was the beginning of the development of an integrated, competitive and productive space – not the end?

We know that the benefits of NAFTA, for example, integrated supply chains, are being eroded because of U.S. actions at its borders. If we believe there is something worth

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<sup>35</sup> See for example: Lou Dobbs, “Lou Dobbs Tonight,” CNN News, February 21, 2007. <http://transcripts.cnn.com/TRANSCRIPTS/0702/21/ldt.01.html>; Jerome Corsi, *The Late Great U.S.A.: The Coming Merger With Mexico and Canada* (Los Angeles: World Ahead Media, 2007) 20-24; and Ron Paul, “Border Security,” July 20, 2009. RonPaul.com. <http://www.ronpaul.com/on-the-issues/border-security/>.

<sup>36</sup> Josef Joffe, *Überpower: The Imperial Temptation of America* (New York: W.W. Norton & Company, 2006).

<sup>37</sup> Josef Joffe, “Gulliver Unbound: Can America Rule the World?” (lecture, the Twentieth Annual John Bonython Lecture, Centre for Independent Studies, Sydney, AU, August 5, 2003), <http://www.aicgs.org/documents/csi.pdf>. 7.

preserving here, something worth building upon for the future, then it seems to me that continuing to exclude Mexico from discussions on the border and other aspects of continental security are counterproductive. As opposed to working toward a seamless, integrated approach to borders in North America, we will have Canada and Mexico going to Washington, separately, vying for attention and action. And if it is true that the U.S. is actually moving to a “one border” policy,<sup>38</sup> with similar treatment north and south, then it probably makes sense for Canada to work with Mexico, to try and influence those border policies.

Again, Janet Napolitano’s words can not be ignored that “the law in the United States does not differentiate between the Mexican border and the Canadian border.”<sup>39</sup> However, U.S. border issues with Mexico are more pressing and will receive more attention, more quickly than those on the northern border. It will probably be smart for Canada to work trilaterally with the U.S. and Mexico to shape some of those border and security responses (because they may be showing up at a border near you, sooner than you think).

Second, Canada should focus on ‘third country issues’ –and particularly those in Mexico. Just as terrorism was a central issue after September 11<sup>th</sup> for the U.S, migration and illicit trafficking are now primary concerns. So too are meeting climate change and environmental objectives in ways that maintain regional and global economic competitiveness. Third-country issues are valuable because by addressing them in a manner congruent with U.S. interests, Canada reinforces its ability as a sovereign state to engage in international relations and therefore be a constructive and useful ally of the U.S.<sup>40</sup> As former Canadian Ambassador to the U.S. Michael Wilson remarked, Canada’s military role in Afghanistan was the “best calling card I had” in Washington.<sup>41</sup>

Third, while Canada should take more individual initiative, it must not be forgotten that collective problems require collective solutions. As Canadian Foreign Minister Lawrence Cannon highlighted, many current challenges require a North America-wide solution. Canada, in comparison to the U.S. and Mexico, has suffered less during the global financial crisis but both Canada and Mexico need the U.S. to recover; for both of us the U.S. is overwhelmingly our biggest market. (In 2009, 76.4 percent of main Canadian exports and 84.7 percent of Mexican exports are destined for the United States.)<sup>42</sup> Accordingly, Canada and Mexico must work with the U.S. to promote stability and prosperity.

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<sup>38</sup> Christopher Sands, “Towards a New Frontier: Improving the U.S.-Canada Border.”

<sup>39</sup> Janet Napolitano, interview by Neil MacDonald, *CBC News*, April 20, 2009. See: “Interview with U.S. Homeland Security Secretary Janet Napolitano,” *CBC News*, <http://www.cbc.ca/canada/story/2009/04/20/f-transcript-napolitano-macdonald-interview.html>.

<sup>40</sup> Christopher Sands, “The Rising Importance of Third Country Issues in Canada’s Relations with the United States,” in *Canada Among Nations: Minorities and Priorities*, ed. Andrew F. Cooper and Dane Rowlands (Montreal and Kingston: McGill-Queen’s University Press, 2006). 131.

<sup>41</sup> Michael Wilson in Luiza Ch. Savage, “Canada’s Biggest Problem? America,” *Maclean’s*, October 12, 2009. 28-31.

<sup>42</sup> *The Economist, Pocket World in Figures 2009 Edition* (London: Profile Books, 2009).

A key objective of the SPP – Security and Prosperity Partnership Agreement – was to encourage exactly that kind of trilateral thinking around shared economic, border and security concerns.<sup>43</sup> Common frameworks should be reinforced to research, coordinate and arrange funding for these clean-energy initiatives across North America. For example, it is helpful to look at the energy portion of the SPP which has successfully built upon the ongoing efforts of the energy-related departments of the United States, Canada, and Mexico. The North American Energy Working Group (NAEWG) has continued to promote regional integration by helping to meet the collective energy needs by facilitating cooperation between the governments and businesses in all three countries.<sup>44</sup> A renewed commitment is needed from North American leaders to continue promoting regional integration through trilateral working groups.

There are other areas where similar trilateral partnership and collaboration might prove beneficial. One more formal engagement that Canada should join is the North American Development Bank (NADB). Canada should live up to the bank’s name and formally join the North American Development Bank and assist in the fulfillment of its mandate “to enhance the affordability, financing, long-term development and effective operation of infrastructure that promotes a clean, healthy environment for the citizens,” but in the greater North American region.<sup>45</sup>

We should also work more on a continental scale to reinforce some of the bold alternative energy, carbon reduction steps, and environmental policy initiatives that have already been taken around the continent. When Presidents Obama and Calderon met on April 16, 2009 at the Major Economies Forum on Energy and Climate Change, President Obama specifically emphasized the important role Mexico was playing in promoting climate change policies and in hosting the upcoming United Nations Climate Change Conference in 2010.<sup>46</sup> Additionally, President Obama recognized that “one of the things that is particularly exciting is the leadership that Mexico under President Calderon’s administration has already taken on the issue of energy.”<sup>47</sup> The United States is increasingly showing support for multilateral, continental and global initiatives for climate change and environmental legislation, all of which include Mexico. Interestingly, Canadian Environment Minister Jim Prentice already has indicated that Canada’s Climate Change plan is proceeding on three parallel tracks: “First, the domestic plan and policies,

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<sup>43</sup> Security and Prosperity Partnership of North America. “SPP Background.” SPP.gov.

<sup>44</sup> See: Anderson and Sands, “Negotiating North America The Security and Prosperity Partnership,” 16. (The SPP is based on the principle that prosperity in all three countries is dependent on our collective security and recognizes that all three nations share a belief in freedom, economic opportunity, and strong democratic institutions (SPP.gov). The “Report to Leaders” issued in June 2005 identified more than 300 separate irritants as priorities for one or more of the three governments. These items were assigned to 20 working groups; 10 for Prosperity and 10 for Security).

<sup>45</sup> North American Development Bank. “Annual Report 2007,” North American Development Bank, 2008, <http://www.nadb.org/pdfs/pubs/AR%202007%20WEB%20Eng.pdf>.

<sup>46</sup> White House, “Fact Sheet: US-Mexico Discuss New Approach to Bilateral Relationship.” April 16, 2009, [http://www.whitehouse.gov/the\\_press\\_office/Fact-Sheet-US-Mexico-Discuss-New-Approach-to-Bilateral-Relationship/](http://www.whitehouse.gov/the_press_office/Fact-Sheet-US-Mexico-Discuss-New-Approach-to-Bilateral-Relationship/).

<sup>47</sup> Michael A. Fletcher, “Obama Meets with Mexican President Calderon,” *Washington Post*, January 12, 2009, [http://voices.washingtonpost.com/44/2009/01/12/obama\\_meets\\_with\\_mexican\\_presi.html](http://voices.washingtonpost.com/44/2009/01/12/obama_meets_with_mexican_presi.html).

second, an eye on the continental requirements, and third, an international approach.”<sup>48</sup>  
Canada should fully embrace this plan and expand its engagements in North America.

Emergency Preparedness / H1N1, Hurricane Katrina, and hurricanes in the Gulf are all areas where North American partnerships should continue to be strengthened. Positive reinforcement for future action comes from the ‘Joint Statement’ from the North American Leaders’ Summit in 2009 which highlighted:

“North America’s coordinated response to the initial outbreak of the H1N1 flu virus has proven to be a global example of cooperation... We set an example of a joint, responsible, and transparent response, enabling other regions to react quickly to protect their populations... We will remain vigilant and commit ourselves to continued and deepened cooperation. We will work together to learn from recent experiences and prepare North America for the upcoming influenza season, including building up our public health capacities and facilitating efficient information sharing among our countries.”<sup>49</sup>

Actions like these should continue to enlarge the definition of security to include the basic health and living necessities of people in all three countries is a promising development towards better addressing issues of “human security.”

If we do believe that there is more to North America than that which we have now, all three countries will need to acknowledge that a perimeter approach to our borders makes sense, pushing the borders out to the perimeter of North America, beginning with common external tariffs.<sup>50</sup> Obviously, labour mobility within North America will continue to be a challenge to a perimeter approach and one that allows for no easy or short-term solution. While many will correlate this concept of a perimeter to the process of the European community’s integration, it need not be followed so rigidly in North America. Ultimately, only an improvement in social and economic conditions for more Mexicans through the creation of a larger, more stable middle class (that sees less reason to migrate) will alleviate this impediment to the movement toward a meaningful perimeter approach.

I do not pretend that this will be an easy sell for any of these governments in the current political and economic environment. This is not a dialogue that I would undertake any time soon, if I were in government right now. But it is something that those in business and in the academy should continue to talk and write about.

This leads me to my next point which is that for North America to grow beyond what it is now, as Robert Pastor has somewhat uncharitably written, “a global super power and two uncomfortable neighbours,”<sup>51</sup> we need more than business leaders making the

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<sup>48</sup> Jim Prentice, “A Conversation with Jim Prentice,” *Policy Options*, 30.7 (2009), 6-10.

<sup>49</sup> White House, “Joint Statement by North American Leaders,” August 10, 2009. See: [http://www.whitehouse.gov/the\\_press\\_office/Joint-statement-by-North-American-leaders/](http://www.whitehouse.gov/the_press_office/Joint-statement-by-North-American-leaders/).

<sup>50</sup> Council on Foreign Relations, *Building A North American Community*; and Paul Rosenzweig, “Why the U.S. Doesn’t Trust Canada,” *Maclean’s*, October 12, 2009, 33-35.

<sup>51</sup> Robert Pastor, *Toward a North American Community: Lessons from the Old World for the New* (Washington: Institute for International Economics, 2001), *supra* note 3, 1.

case. The CCCE, the North American Competitiveness Council (NACC), the U.S. Chamber and the Mexican Chamber can not be seen to be the only or even the main instigators of discussions around further integrative steps. A key aspect is the involvement of civil society groups in broader discussions about North American integration. We need a place for citizen-based discussion and consultations. The role of universities and think tanks could be helpful here. Why don't we encourage more exchange programs for students and professors whose fields of research look at issues from a trilateral perspective?

For those of us who believe in North America, how do we sell the concept, still relatively new, to our own people? Mexico will be in the G-20. It is in APEC. It is in the OAS, like Canada and the U.S. Canada's interest in Latin America can potentially be furthered by developing closer and more concrete ties with Mexico. Secretary of State Clinton has stated that she hopes that Canada, U.S. and Mexico can offer a united front in world venues.<sup>52</sup> If the U.S. comes to the table at international discussions or negotiations with two allies – one a developed nation (Canada) and the other a developing nation (Mexico) – it should strengthen their hand. Mexico can be a bridge to some of the developing or emerging economies and issues.

Finally, North America cannot afford to pull apart as the rest of the world is pulling together in tighter regional economic groupings.<sup>53</sup> The European Union has welcomed new members and before the economic meltdown, had become the largest trading zone in the world – a distinction that had been held by the NAFTA countries. The Southern Cone, together with other Latin American countries, is coming together under a trading arrangement known as Mercosur and the ASEAN countries are consolidating their ties with China. We can't stand still and let the rest of the world overtake us, forming new, more efficient and more powerful trading relationships. Some have suggested we suffer from a diversion of interest and effort to the negotiation of bilateral trade agreements away from focusing on what needs to be done to make NAFTA strong and more effective. Regional trading blocs will become more important and we will continue to trade, but closer to home.<sup>54</sup> Therefore NAFTA will become more important, not less so.

Returning to the basic question – is a North American region worth fighting for? If yes, political leadership will be needed, as well as support from business and at least some, from civil society. We need to make the case for a North American region; however, it will not be easy. But let us not in 5, 10 - 20 years from now bemoan the loss of “the road not taken” because we didn't make the effort.

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<sup>52</sup> Hillary Clinton “Remarks With Mexican Secretary of Foreign Relations Patricia Espinosa Cantellano and Canadian Foreign Minister Lawrence Cannon After the North American Trilateral Ministerial Meeting,” U.S. Department of State, July 16, 2009. See: <http://www.state.gov/secretary/rm/2009a/july/126143.htm>.

<sup>53</sup> Unpublished article by Michael Kergin.

<sup>54</sup> Jeff Rubin, *Why Our World Is About to Get a Whole Lot Smaller* (New York: Random House, 2009).