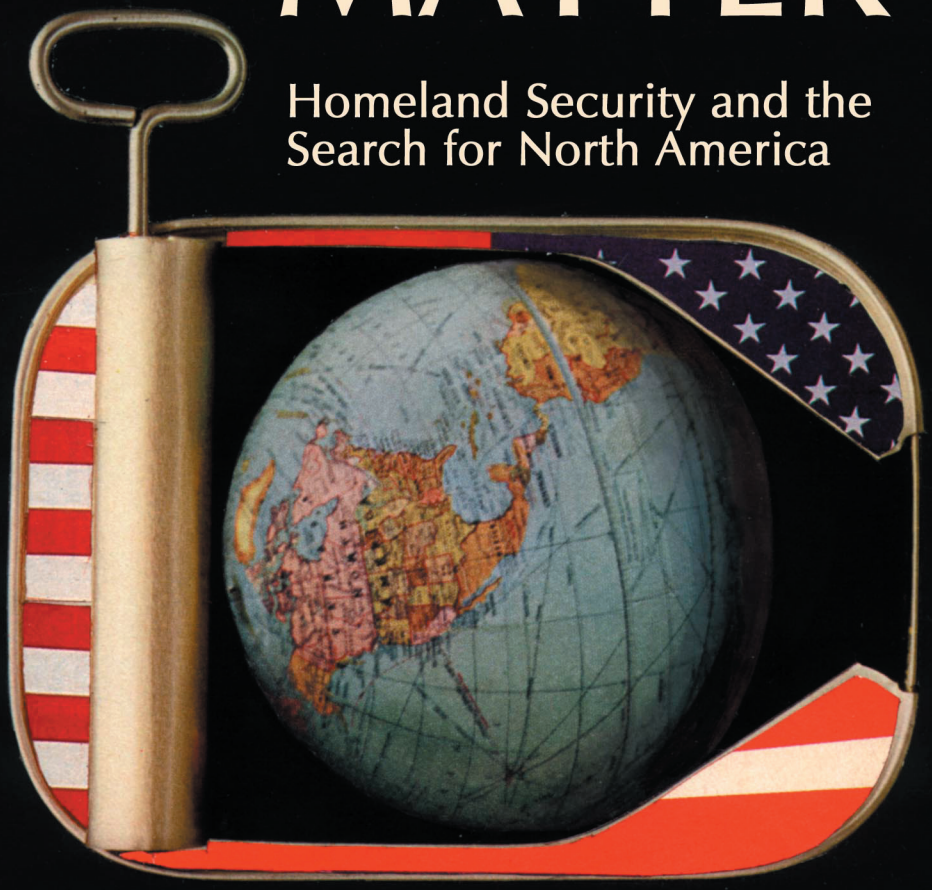
BORDERS MATTER

Homeland Security and the Search for North America



Daniel Drache

Borders Matter

Homeland Security, Borders and the Search for North America

Daniel Drache

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This book is dedicated to my father, who taught me much about the staying power of the Great Border

"There is no worse flaw in man's character than that of wanting to belong."
—David Adams Richards, from *Mercy Among the Children*

"Perhaps people in the world are kinder everywhere than maps of the words would lead you to believe."
—William Boyd, from *Any Human Heart*

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Preface

Preamble Borders

Until September 11, 2001, Canadians had not thought very much or very hard about the long border they share with the US. Nor had public authorities shown significant concern. There was no compelling imperative to contemplate it, particularly in this global age. Ideas passed through it, money poured over it and millions of people crossed it each year. Post–September 11, the border has changed beyond recognition. It is everywhere and everything. Issues now include enhanced security, protection of privacy rights, who we want as citizens, how cross-border traffic can be expedited and how open the border should be to political refugees.

In fact, the world's longest undefended border was never unimportant. It has always been at centre stage in North America in the exercise of power and international cooperation.

Arguably, Canadians and Americans have come to understand each other less and less, and there are profound differences in how they think about the Great Border. The North American Free Trade Agreement (NAFTA) downsized the importance of national boundaries and minimized their importance as regulatory gates and commercial walls. Now Canada finds itself in a new relationship with the US. There is precious little to negotiate, as Washington expects Canada to get with the program, no questions asked. The security wall is forbidding and many of the old notions about a porous border no longer apply. The security needs of the US now reach into our domestic space and the effects are pronounced.

New Rules of the Game

Washington's Homeland Security Act has redefined and reconfigured the border in a way that is neither anti- or pro-border, but is totally different from what anyone had predicted when NAFTA was signed a decade ago. Canadians are security outsiders as far as US law is concerned, and it is the intent of the US Congress to regard Canada as no different than any other foreign power. We are now "imprisoned" in North America. Supposedly we must choose between the border as an identity line in the sand for citizenship purposes and our strategic self-interest.

The Challenge of Our Borders

Canadians have not often been nimble or successful in defining, let alone defending, their strategic self-interests. We have always walked a perilously thin line between our competing nationalisms, regionalisms and localisms, and the blunt reality of being a smallish dependent economy vulnerable to US pressures. We don't relish being offside. Our elites prefer onside agreements, such as free trade, negotiated in Washington and Geneva. However, we now have little alternative but to learn the science of skilled positioning domestically and internationally.

The challenge of our borders as a strategic policy issue requires getting the fundamentals straight. If we are to come to terms with our new status on the continent in this divisive age and to defend our national self-interest, it is important to realize that Canada is part of a new North American paradigm from which no region is exempt. To maintain maximum manoeuvrability, we need to know what our assets are, no less than our liabilities. It may be, as Denis Stairs argues, that Canada has receded into a very modest place in world affairs as its dependency on the US has grown.[1] Yet another reality is that the emphasis on US homeland security has done more to revive Canadian nationalism than any other force since the 1960s.

This book asks these basic questions about the Great Border. Why does the border pose such a dilemma to Canadians (Chapter 1)? However artificial a border is between two countries, why has the Canada-US border been so resistant to globalization pressures to dismantle it (Chapter 2)? What accounts for so much divergence in social standards and regional cultures (Chapter 3)? Is the North American community heading towards an era of broadening and deepening (Chapter 4)? How must Canada address the unilateralism of US homeland security (Chapter 5)? Finally, how has the security-first border transformed Canadian sovereignty (Chapter 6)?

Stephen Clarkson began his encyclopedic and prescient volume Uncle Sam and Us by describing how, when NAFTA became law, he wore a mental black arm band signifying the death of Canada. A decade later, though, Canada is more politically robust and independent-minded than before. For example, we said no to sending troops to Iraq and, unlike the US, ratified the Kyoto Protocol. Canada signalled a desire to legalize marijuana

and gay marriages. Even in this age of unprecedented integration, Canada's welfare state displays a remarkable tenacity to survive financial cutbacks, public carelessness, policy stupidity, collective neglect, media hostility and broken promises. The contrast with the US welfare state, dismantled in 1996 by President Bill Clinton, is stark. Canada's was shrunk but not torn down, and its largest programs consume almost half of the federal budget.

The Blind Spot of Morbidity Politics

Many on the Left believe that the Canadian welfare state has shrunk to the size of a hobbit. The Right thinks it is wrestling with an 800-pound gorilla. "Social Canada," to use a phrase in fashion today, is neither hobbit nor gorilla. Canada's social policy regime is more comprehensive, universal and redistributive than its US counterpart by a long stretch. Three of Canada's top social policy analysts conclude that "the distribution of disposable income was more equal in 1997 than in 1974."[2] Any story of the border must assess the economic rationality of this institution. Its regulatory impacts affect who we are as citizens with rights and responsibilities for one another.

Not surprisingly there is a large political constituency which does not want Canada to compromise its principles or the welfare state in order to maximize relations with the US, as a Globe and Mail readers poll revealed on June 2, 2003. Out of close to fifteen thousand respondents,76 percent said no to jeopardizing Canadian sovereignty for more access to the US market. The results shocked many business elites who believe that public opinion is supposed to follow the market imperative towards more integration. Instead, the public's resolve to shape reality rather than being overtaken by it has stiffened. Certainly today, Canadians from all regions have less faith in American leadership than at any time in recent history. Moral conservatism is at the margins of Canadian political life. The steady decline of the Alliance Party, the closest thing Canadians have to the US Republican Party, from a high of over 25 percent scarcely three years earlier to about 10 percent in 2003 polls speaks volumes. Canadians are worried about the future of continental integration, and discerning Canadians want to increase their sovereignty, not compromise it any further.

Quebecers don't have the same hang-ups about politics as fate. They don't write books about the end of Quebec, or the death of la belle province in North America. Federalists have long wished that the sovereignists would throw up their hands in despair about the asymmetry of power between Quebec and the rest of Canada, but Quebec nationalists never have. Although their part of Canada is small, not as wealthy as Ontario and one of the most dependent of any Canadian region on the US as a market for its exports, modern Quebecers have learned to think outside the box of economic determinism and to strike a more realistic balance between their economic and political agendas.

Canada's corporate elites are way out of step with mainstream Canadian public opinion. They have recurrent anxiety attacks about their place in North America and want their fellow citizens to believe that Canada's almost unlimited access to the US market is in peril. But where is the convincing evidence for this allegation? They want to get rid of the border, seeing it as an impediment to cross-border integration. How ill-informed they are! Since 9/11, no US official has ever proposed that Ford or IBM Canada stop exporting goods to their American head offices. To listen to corporate Canada's main public message, you would think that the Great Border separating the two countries is almost shut down to cross-border traffic. Nonsense.

The facts are that in recent years, on a per capita basis, Canadians have purchased almost $6,000 of US goods while Americans bought only $375 of Canadian products. The flows have never come close to balancing. For the last thirty years, US exports to Canada have remain fixed at about three percent of its GDP. The two free-trade agreements have hardly put a dint in the number. By contrast, Canadian exports to the US soared to more than 37 percent of GDP in 2001.[3] For day tripping, cheap eats, family outings, and bargain-based shopping visits to Niagara Falls, Fort Erie, Lewiston, Pembina, Gateway or Blaine, the border flows are largely unmanaged. For everything else, there are all kinds of large and small effects that need to be examined, analyzed and understood.

The Tipping Point

For instance, free trade has punched big holes in the Canada-US border, leaving it highly porous to goods and services, and to the select category of people able to acquire professional visas to move across the border to

corporate headquarters in the US. Only a tiny number of Canadians and Americans have relocated permanently. Market fundamentalism has affected all of us in other ways. The very prospect of an incipient North American community exudes the idea of dynamic progress. Building the North American community is one of those "big" ideas that needs to be addressed in real time. Does it have a future, a soft present or only a dim past? This too is an important-looking hypothesis that needs clear and finely-honed analysis.

The great North American border has always been a blend of the "porous" and the "impermeable." It is like a giant connector plug, to borrow from Thomas Friedman[4]; when this plug misfires or isn't working as it should, it creates a bad connection between Canada and the US. Canadians feel the effects of this distortion. If the border in all of its aspects is working well, then Canadian sovereignty as applied statecraft will be effective and focused. But, whether through neglect or indifference, if we don't have the fundamentals down pat, then all the rhetoric about "joined at the hip by geography and the head by mentality" won't make a bit of difference.

Distance and perspective are required to free ourselves from many of the old debates about economic integration. We are at a "tipping point" where an array of forces are pushing and pulling Canada-US relations towards a new configuration with different rules, practices, ideas and mentalities.

To look at North America with this understanding will help us identify the processes and behaviours that will change outcomes globally and locally. To identify a tipping point, or points, is a strategic way to map and track the complex issues put in play at a time of fluidity and great moment. A good beginning is to recognize the singular importance of the border to who we are and to the political economy of Canada. It is time to consider our future in this way. Even though we are more trapped in North America, we are also separate and apart.[5] We are not irreversibly driven towards one model of social and political life in North America.[6]

Why? Dani Rodrik's powerful answer in Has Globalization Gone Too Far? is that open economies need social protection. Canada is a classic test case of this hypothesis. We spend four percent more of our GDP on income security than our neighbour; we value citizenship more than national identity; we have a stronger social bond and believe in the value of most things public in ways strikingly different from the republic to the south. The debate on whether national differences in North America are more important than similarities has not produced a definitive answer, nor could it. If spending reflects priorities and values, Canadians and Americans are increasingly on the way to becoming very different societies. At one time we were look-alikes in many areas, but now our distinctiveness is unquestionable. Nonetheless, Canadians must get their act together and focus on the essential, and that is the need for public authority to exercise its power and work on our behalf at the border as well as behind and beyond it.

Friends at a Distance: The New Dynamic

If there is a single message in this book, it is that being a prudent, middle-power country with a perennial lack of confidence should not be confused with being voiceless or powerless. When we Canadians obsess about our "sparse demography and vast geography," we do poorly in managing the border, the most important measure of our relationship with the US. But when the concentration is on our separate but parallel destinies, and on finding ways to reduce the asymmetry of power, Canadian public policy can be creative and move away from traditional reflexes. The northern federation need not be confined by narrowly economistic policy prescriptions driven by "irreversible" US market pressures.

Across the continent, disruptive cultural and economic changes are forcing governments, businesses and civil society to look at all the options for re-imagining national communities and their interdependence. At present, values and institutions on both sides of the border matter more than ever. With so much divergence in views the two countries are not copies of each other. A new dynamic is present. The US deficit is spiralling out of control while the Canadian deficit has been wrestled to the ground, leaving Ottawa with an important surplus to spend on rebuilding the social bond. With Quebec sovereignty and the national unity question pushed to the back burner, Canada-US relations may well become the number one priority for the Martin government. This is the story that is about to be told. We have to get closer to ourselves and to understand our relationship with the US as, in Henry David Thoreau's words, "friends at a distance." We ought not to have shirked our responsibility to get a handle on the complex issue of the border, and now we have no alternative but to put things right.

1. Borders Permeable and Impermeable: Canada's Immediate Dilemma

"Canada is essentially closer to the United States than it is to itself."
— Paul Krugman, from *Geography and Trade*

The Clash of Sovereignties

Borders are always tense places where bureaucracy, red tape and the minutiae of rules are menacing and inescapable. When you are entering the US at one of the dozens of border crossings that separate the two countries, if you are not a citizen of that country, you don't know what your rights are or whether you have any at all. One moment you are Canadian, but by crossing that official line you acquire the status of tourist, immigrant or alien. On your return, you take a deep breath and are glad to be home. Perhaps you are cosmopolitan with other identities and loyalties that transcend your nationality, but in that brief moment of return a surge of feeling is telling you, the sojourner, that you belong and are protected by a state that is not theirs but your own.

Suppose you are an anti-nationalist and reject the nation-state as your primary civic standard. Is it really any different? Your twelve-page passport cannot account for the sense of belonging that involuntarily stirs the emotions. You are part of a political community with rights, obligations and a belief in a common structure of experiences. Here is the very beginning of the modern notion of citizenship, which is "created out of social realities," as Isin reminds us.[1] For no society are borders a modern anachronism. Borders protect a country's institutions, the behaviour of its people and the experiences of all kinds of groups in comparison to those of their neighbours. A border bisects markets, affecting investment and production decisions, and is one of society's most powerful institutional markers, functioning as a regulatory wall, commercial gate, security moat and line in the sand for citizenship purposes.

North America's Great Border has always presented an intractable dilemma. Contrary to the national myth that good fences make for good neighbours, joint management of the forty-ninth parallel has never been insurance that the peaceable kingdom of this vast continent has been well shared when vital US interests are in play. Some one hundred and fifty cross-border agreements govern the border, and there is formal cooperation between Canadian and American security, customs, police, transportation, environmental, tax and agricultural officials.

Much of the governance function is also conducted through informal contacts and ad hoc arrangements between US departments and Canadian ministries. High and low bureaucrats email each other, consult on the phone and meet at conferences. Seen in this light, the Canada-US border cannot be regarded as a second-order, one-dimensional institution from another age. Rather, it represents the real and symbolic battle line where two sovereignties have quarrelled and skirmished to advance their strategic interests. The great Republic and the northern Confederation have clashed most over their common undefended border about resources, access to markets, security needs, cultural visions, entry procedures, citizenship rules and the criteria for political refugee status.

Post–September 11 we are still sorting out the effects of all the legislative changes to border rules and practices for immigration and security, and to the framework for North American defence (see Figure 1). So

far there is no policy model, social theory or policy yardstick that grasps the complex, multidimensional and dramatic changes to North America's borders in their roles as security moat, commercial gate, regulatory fence and identity line for citizenship.

This is worrisome for Canadians who have yet to redefine their national interests post-9/11. Americans have no such hesitation. They have been expanding their security state since 1947, when, on July 26, Congress passed the National Security Act quietly and without much national debate. This Act created legislative machinery and independent intelligence agencies, largely unaccountable to Congress, to defend US national interests against foreign power threats.[2] A great deal of American interest continues to be defined by the logic, if not the mindset, of the National Security Act. US foreign policy has long been value-driven; mixing up the unflinching pursuit of national interests with what Condoleezza Rice, President George W. Bush's National Security Advisor, labels "second-order effects" that "benefit all humanity." America's moral mission now puts Canadians directly in the line of fire of the new US security doctrine, which calls for pre-emptive action against rogue states and their terrorist clients, and assumes that allies are loyalists, not sceptics.

The result is that the undefended border has been transformed into a heavily policed and militarized frontier. Current Canada-US border politics are going to be intense and unlike any in the previous century. In a security-obsessed world, the politics of the Canadian border require smart, independent thinking and nerves of steel. The important questions to ask are: How are Ottawa and Canadians planning to address these dramatically changed circumstances? Are we in charge of our side of the border any longer? Can we be? What policies and models of the border are best suited to our needs?

A Second Hinge Moment

Post–September 11 the undefended, people-friendly, open border has disappeared forever. From Washington's perspective there is no longer a shared Canada-US consensus that each country is responsible for its own side of the fence. The establishment of the US Department of Homeland Security represents the largest governmental reorganization in the last fifty years. It has a $40-billion budget, employs 150,000 personnel and is now in charge of all aspects of US security domestically, continentally and globally.[3] It is the lead actor inside government, singly mandated to coordinate the framework of homeland defence with the Executive, House of Representatives, Senate, and the US judiciary, intelligence agencies and the military chiefs of staff.

The mandate of this monster-sized department applies to all aspects of US security at, behind and beyond the border. The Department of Homeland Security acts with administrative, political and legal authority to take any measures and actions deemed necessary, globally or locally, to protect US interests. It is the arms, legs and nerve centre of Washington's national security doctrine, coordinating, directing and overseeing US security needs. It reaches down into the local community and links every municipality and city to Washington. Responsibility for the border is shared by the departments of State and Transportation, the International Boundary Commission, the Environmental Protection Agency, the General Services Administration, Customs, Immigration and Naturalization, the Department of Agriculture and state, county and local authorities. Almost every sizeable governmental department has a piece of the action. Homeland security is now part of the fabric of American society and government and will outlast the Bush presidency. It is a permanent institutional change that Congress will not alter for a long time to come. Border effects on markets, already large, will soon become larger and the impact on Canada will be even greater because so many agendas are in play.

Some agendas are security-driven and demanding, others are intelligence-focused and require covert and overt surveillance in the US and far beyond its borders, still others that appear to be highly technical are politically motivated—immigration, for example. Cumulatively the impacts are huge for all countries. Congress has used the Homeland Security Act to take control of its side of the fence and a good part of Canada's side as well.

Many Canadians do not understand the extent to which US law and institutional arrangements have changed. Nor are Canadians particularly gifted readers of US presidential intent and the multi-centred, diffuse nature of US politics. We are still operating on our old assumptions and belief in the power of good neighbourliness. Our business elites continue to believe, in Bruce Hutchinson's classic words, that the border is "a perpetual diplomatic dialogue … a fact of nature … which no man thinks of changing."[4] But certainly it is no longer that.

The essential character of the new rules is that they are mandated by US law and operate through the executive arm of government, with little opportunity for public review and active input. Foreign input is nil or after the fact. Any talks or discussions that occur with Canada, Mexico or other countries are within American terms of reference and backed by the full power of US law. The orbit of the new security act seems to be limitless. Everything is considered to be "in the interests of our safety" according to the US State Department.[5] It is completely open-ended and can be used equally for foreign retribution or domestic persecution. Statements such as, "for the good of our wider security," put the global community on notice that the power and interests of the US extend everywhere. As the cornerstone legislation of Bush's imperial presidency, the Homeland Security Act is nothing less than a constitutional revolution. It gives the Executive extraordinary power to take pre-emptive action abroad, and at home it removes the democratic restraints on the Justice Department that prevented it from conducting surveillance of any kind without probable cause or court sanction.

US Homeland Security has already begun implementing vast changes to US security practices in all areas. It

- establishes demanding regulations for visitors, political refugees and immigrants to the US,
- creates new security requirements for travellers, exporters, land, sea and air carriers, vehicles and companies on all aspects of security that affect US national interests,
- transforms the role of police and intelligence for operations in a global, continental, regional and local environment as a seamless organization for national security,
- coordinates intelligence gathering across government and establishes new standards and operating codes that authorize electronic surveillance on individuals and groups without writ or permission of a higher court judge,
- authorizes practices and procedures that effectively reduce the privacy rights of individuals and allow the security authority to collect information that can be turned over to police and judicial agencies with few civil rights safeguards,
- requires foreign visitors to the US to submit to new procedures including fingerprinting and other kinds of security checks that will be entered into the computers and records of the US security system, and
- upgrades the US security infrastructure and its capacity to respond to new terrorist threats in the future.[6]

All of these security goals directly concern Canada and the future of the forty-ninth parallel. For instance, transborder transportation is being rethought with respect to vehicle inspections, security checks on drivers and other issues.

With minimal consultation and no negotiation, Canada and Mexico were informed that the entire continental transportation system—the heart of the continental economy—had been re-regulated. The magnitude of this so-called "technical change" is reminiscent of an equally dramatic moment in 1939 when US authorities unilaterally demanded that all Canadians entering the US have passports.

Canada signed the Smart Border Accord in December 2001, an action plan, in the language of the US security doctrine, "to ensure the secure flow of goods, people, infrastructure and information sharing." The aim was to facilitate pre-clearance in both countries. The Accord builds on NEXUS and CANPASS, two programs negotiated between Ottawa and Washington that require Canadian truckers to meet "rigorous security standards" set by US security personnel. Border security pre-clearance raises fundamental issues about the balance between security and privacy.[7] These bilateral programs subject Canadians to the authority of both the Patriot and Homeland Security Acts in ways that are unprecedented.

Other aspects of the homeland security strategy have consequences for Canada's energy development, transportation policies and international cooperation. In the near future, it is conceivable that, armed with the authority of the homeland security doctrine, Washington could decide that the security of its water supply requires Canada to negotiate a water-sharing agreement. The Paley Report looked at US energy needs through this prism.[8] Energy is essential to security, and discussions on a formal, continental sharing agreement are well advanced.

The implications of US security needs are still being worked out in other areas by the Bush administration, and this must be closely monitored by Ottawa. So far, though, there is no top-level Canadian governmental structure mandated to produce a major audit of all the US statutes that bear directly or indirectly on Canada. No public legal assessment of the impact of homeland security on Canada's Charter of Rights and Freedoms has been released to clarify the potential or actual violations this US law poses with respect to the rights of Canadian immigrants and political refugees. Nor has there been any fundamental examination of the impact of US security needs with respect to NAFTA provisions and US trade law generally. Canada's parliament has not debated the extralegal dimension of homeland security and its effects on cross-border management.

It is a mistake to think that since most of the changes in the new security legislation are directed at US citizens, and not Canadians, that Canada should not be unduly concerned. The 2001 Patriot Act, formally named, "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism," gives sweeping powers to border and other police agencies on an unprecedented scale.[9] For instance, it authorizes secret hearings, denies detainees access to legal representation and provides new powers for search and surveillance that are "largely outside of the purview of the legislature and the judiciary."[10] The Centre for Constitutional Rights, a Washington-based think tank, has documented how the new legislation has weakened the checks and balances of the US system, and the extent to which the courts are now deferring to the Executive. It legalizes the kind of furtive spying that Lyndon Johnson employed on anti-war groups and Richard Nixon authorized in the Watergate break-ins. This unparalleled increase in executive power at the expense of other branches of government is without precedent in the history of modern US presidents and undermines the constitutional rights of citizens and non-citizens alike.

These invasive security practices apply no less vigorously to the management of the Canada-US border. For instance, much of the legislation is set by executive order and interim agency regulations without prior public comment or congressional input. The rules are not fixed in stone but depend on what the Executive decides is necessary and fitting. It gives the president and Congress maximum flexibility to respond ad hoc and arbitrarily if it is in American interests to do so. Under law, US customs and border officials have acquired wide discretionary powers with respect to immigrants, visas and visitors. Since 9/11 the legal strictures have become tighter, more selective and more rule-driven. Immigration officers used to be proud that theirs was a service-driven department; now it is 100 percent security-oriented.[11]

Some administrative and legal changes have already been announced, and all are invasive, demanding and non-negotiable for Canada and other countries. The Bush administration's new rules and regulations around food security exports are typical and reflect how dramatic the impact of the security-first border will be for some producers. In response to the possible dangers of a bioterrorist attack on US food imports, the US Congress has imposed new rules and regulations.[12] Canadian exporters will have to pre-alert US authorities to all shipments to US customers, pre-inspection of food products will be mandatory and new paperwork is required with obligatory full disclosure of all ingredients and their source countries. Canadian exporters will have to pay new service charges to have their shipments cleared by US Customs. For these producers, the border is no longer seamless, but if they want to export to the US, they will have to comply. Canadian exporters are worried about the bureaucratic red tape and the increases to their costs. If it is no longer worth their while to continue exporting to the US, they may have to find other markets.

Goods and People Face a Different Future

Other changes are equally pronounced and far-reaching. Canadian landed immigrants from more than fifty countries now require visas to visit the US, and these can be obtained only with a security clearance. This latest change affects hundreds of thousands of landed immigrants from Canada's large Indian and South Asian communities. A Canadian landed immigrant who wants to visit family or take a vacation is required to submit to a security check by US officials. Even if refused entry, they are not entitled to know the criteria used to arrive at this decision. The border is closing for them, and many will face restrictive and arbitrary treatment should they choose to travel to the US.

Foreign-born Canadian citizens travelling in the US have even been deported to their country of birth. Maher Arar, a Canadian citizen born in Syria, was arrested in 2002 in New York while travelling home to Ottawa. Despite his Canadian citizenship, US authorities deported him to Syria without notifying Canadian

authorities, and there he remained in jail for more than a year without being formally charged.[13]

The EU has said a loud no to the invasion of privacy rights. At least it has put up a fight for the time being. Why has Ottawa not had the same courage to defend all Canadian citizens under the Charter of Rights and Freedoms? Article 6 gives every citizen, whether born here or not, the right to enter, leave and remain in Canada. At the border there should be no difference between native-born Canadians and those who have chosen Canada as their new home.[14] Ottawa is on the firing line to protect landed immigrants from this discriminatory and arbitrary treatment, but so far there is no strategy or policy in place to protect landed immigrants from US authorities.

Ottawa has largely cooperated with the Bush administration in the areas of immigration and security, typecasting the immigrant as a potential or real threat. In record haste, Canada's national government passed Bill C-11, The Immigration and Refugee Protection Act, in November 2002. It expands the government's detention powers over immigrants who are deemed "security risks" and reduces the mechanism for independent review of ministerial security decisions, allowing the detention of individuals on a security certificate indefinitely without appeal. Bill C-36, The Anti-Terrorism Act, gives Ottawa and police agencies new powers to deport, detain and prosecute citizens and non-citizens under police suspicion because of their ethnic background or association with immigrant communities.[15]

Whereas NAFTA opened the border, US homeland security regulations have re-tightened it to an unparalleled degree. For goods, the gate is still open, but for newcomers to North America, it operates as a skintight filter. Fewer immigrants and many fewer refugees will get through the new complex procedures and security checks. Further, immigrants who have been denied status in the US will no longer be accepted in Canada as they had been previously, because Ottawa and Washington have signed an agreement to end this practice. Particularly disturbing is Article 6 of the Canada-US Safe Third County Agreement, which broadens the unilateral powers of the US and Canada to examine any immigrant's status claim "when it determines that it is in its public interest to do so."[16] Members of ethno-cultural minorities are going to be singled out under the new agreement. US law provides for expedited removal of immigrants that authorities deem a threat to US security. This powerful weapon gives American authorities a wide arc of discretionary power.

In August 2003, using these new powers, Immigration Canada detained twenty-one Pakistani students on security certificates. No charges were laid, because under Canada's recently passed security laws, the process is secretive and charges are not required. Although they were 470 other cases of irregularities with student visas, none of these were detained or investigated. Racial profiling seemed to be the primary factor in the twenty-one arrests. In a public statement in September 2003, the RCMP said they regarded none of the Pakistani students as a security risk, but only a handful were released. The others remained in detention without being formally charged. [17]

Under the new rules, goods and people face very different futures. Canadian elites are worried that US authorities will close the border and disrupt just-in-time production chains, but it is a fiction to believe that the border is about to close to goods. Waiting lines for trucks crossing the border have almost returned to normal. On average, waits are less than an hour, pretty much what they were before 9/11.

There will be delays and periodic border slowdowns whenever US authorities decide to increase inspections, but it is in the interests of the US to ensure that just-in-time production chains operate efficiently. The head of Chrysler Canada has publicly stated that his company has experienced no major problems in shipping or receiving goods. Corporate America has voiced no public complaints about the transborder flow of goods between the two integrated economies.[18] US production has not been unduly disrupted for any length of time. The ebb and flow of the cross-border traffic in goods does not capture the essential truth that the US and Canada are on fundamentally different paths, and that Ottawa has yet to face the problem head on.

Unilateralism and the Security-First Border

Homeland security is a bare-knuckle, unilateral policy framework that is not rules-based and negotiated like NAFTA. There is no hint of partnership somewhere down the road, nor is the idea of political integration contemplated. Homeland security is based on American self-interest and the unilateral exercise of power. The US does not ask if its allies or even its closest neighbour approves of boarding the "security" train. They

are expected to be on it. From the American perspective, the US will rely on its own military and legislative framework to secure its interests both globally and continentally. It will cooperate with other countries when it suits American interests to do so, but just as frequently it will act unilaterally. Bush put it starkly, "When it comes to our security, we really don't need anybody's permission."[19] The homeland security doctrine is the embodiment of undivided sovereignty—the US sets down the rules for others.

All of this points to a fundamental paradigm shift for Canadians. Canadian sovereignty will be more contested because the homeland security doctrine is proactive, aggressively single-minded, consciously comprehensive and largely self-reliant. At the centre of the new order looms the security needs of a border that is no longer strictly defined by territory but primarily by self-interest. Neither Washington nor Ottawa can avoid the bounded nature of the border. When American elites join the dots together, they see only one Great Border in North America, most of it American by design and now by US law. The longest undefended defence perimeter in the world is manned and policed by its armed forces and border guards.

The Protective Moat or Canada's Civic Identity?

Canadians need to reflect long and hard about the border as a moat for security and as a boundary marker for identity and citizenship. Canadians are not good jugglers of these conflicting agendas. We do not, as second nature, think in terms of strategic self-interest. Rather, Canadian governments have followed a strategy of indirection and compliance, minimizing the strategic effects of the border in the hope of currying favour with Washington. Ottawa has rarely behaved as a powerful nation might in using defence of its border policies for nationalistic ends. Instead, Canadian governments have always treated border politics first and foremost as a pragmatic issue, as a means to provide access to the US market, as a regulatory screen to uphold public interest standards and as a low-maintenance security perimeter. The border was never a lightning rod for national territorial ambition, largely because the great undefended border was settled in 1846 by the Oregon Treaty and has not moved a centimetre since. Canada and the US have quarrelled in modern times about the exact position of the border in the Strait of Juan de Fuca and George's Strait, and over Arctic sovereignty, but no Canadian or American is ready to go to war to defend the integrity of their side of the border.[20]

As far back as the Treaty of Versailles, which redrew the map of the modern world in 1919, Canada has gravitated to the role of quiet diplomat, brokering policy differences between the US and Britain.[21] Sir Robert Borden, Canada's prime minister in 1919, was the self-appointed liaison between Lloyd George and Woodrow Wilson. Unlike Britain, France and India in the modern period, Canada has no history of defending its own vital interests globally, or of holding sharply opposing views to Washington on global politics.

Trudeau's third option was an attempt to give Canada an independent voice on the global stage befitting a regional power, but his experiment collapsed. Our exports to all of Latin America amount to less than one percent of Canada's total. Even our trade with the EU is minuscule given the size of its market and our social and cultural ties with its members. Since 1989, merchandise trade with G-7 countries decreased as Canada became more dependent on the US. By 1998 the UK took merely 1.7 percent of Canada's exports, Germany 1.4 percent, France 1.1 percent and Italy only 0.8 percent.[22] Japan is our second largest trading partner but comprises less than 4 percent of our total trade. No Canadian government has been able to convince the business elite that access to other markets would give Canada new leverage in Washington.

Prior to the US war in Iraq, Canada was rarely to be found in the ranks of the dissenters. John Diefenbaker, Canada's populist (and wrongly cast as anti-American) prime minister, killed the Avro Arrow, the leading Canadian jet fighter of the 1950s, and bought US warplanes instead, ending any hope of a modern Canadian aviation industry. Lester Pearson accepted Bomarc missiles, and later prime ministers pushed for close diplomatic, military and economic ties with the Republic. In defence and military matters, Canada specialized in niche security operations. The prototypical bilateral institution was NORAD, established in 1958 for the defence of North America, largely paid for by Washington and operated by US personnel. Lacking a large military capacity, Canada's elite diplomatic core regularly made small but symbolic contributions to North American defence in multilateral settings. Ottawa cast its lot with the US during the Cold War, was good at UN peacekeeping and received kudos as a middle power for its high profile, behind-the-scenes work at the UN and in front-line peacekeeping.[23]

The Good Neighbour Syndrome: Weakness or Strength?

The good neighbour syndrome warrants some critical examination. Canadians like to cling to the myth that friendship buys influence within the world's most powerful state. The reality is that few US presidents have taken strategic advice on how they should exercise power from their commercial neighbour. One of the most public attempts at advice-giving occurred during the 1960s when Prime Minister Pearson criticized the US bombing of Vietnam. Although Canadians applauded Pearson's principled stand, he was terrified by President Johnson's wrath, according to historians. Pearson wasn't punished for being off-side and, despite his stance, his government succeeded in negotiating the Auto Pact, the one measure that arguably did more to transform the industrial structure of Canada than any other. But Johnson did not button his lip either. He rebuked Pearson in public and abused him verbally in private at Camp David. "You pissed on my rug," LBJ shouted while grabbing Pearson's lapels. Tensions between the neighbours rose, but in the end diplomacy prevailed. The relationship between the two countries remained strong and unbroken despite Canada's criticism of US bombing.

Post–September 11, the politics of the border require a great deal of smart, independent thinking and action about applied sovereignty, and the setting of national priorities. Americans have redefined their national interests concerning security, trade and homeland defence. More immediately, the US has groped to find a rationale for the war in Iraq, since the raison d'être for pre-emptive action was undermined by the failure to discover weapons of mass destruction. The US government is at odds with its principal allies and with many Americans. It is unable to see the world through the eyes of weaker powers and is blinded by the strength of its own mythology and the dominance of its own culture.[24] "America first–ism" has naturally produced a very different assessment of threats and the proper means to deal with them.

The disparity in power between the Republic and the Confederation has opened a large ideological gap with regard to the role of law and international institutions. In the past, Canadian officials thought they knew how to maintain an effective relationship with the US, but now they are not sure. The Bush Doctrine calls for the pursuit of American dominance through pre-emptive military action. It also commits the US to further policy initiatives of deterrence and containment. Cooperative action and renewed commitment to multilateralism and international legal norms are far down on its list. In the current, security-dominated universe, should Canada continue to try to be the insider or is there another path through which we might make a constructive international contribution?

So far, Canada's business elites have displayed no capacity to reverse course and think outside the traditional commerce-at-any-price box. They have failed to recognize that, domestically, there is broad political support for George Washington's wise counsel that "There can be no greater error than to expect or calculate upon real favour from nation to nation."[25]

Imperial Right and Wrong: A World without Favour

Carrying on without "favour" requires that Canada redefine its objectives and chart its own course. It needs to distance itself, as much as possible, from the entangling web of US unilateralism. We can do this by degrees and also by kind. Our goal is, in the words of Denis Stairs, to "build up our foreign policy assets."[26] It is not that the policy step is so large, as Canada's decision to ratify the Kyoto Protocol, when the US did not, testifies. The much greater hurdle is the shift in mentality and the de-identification with our "significant other."

As Washington increasingly operates from the idea of imperial right, the rules of the game will change constantly and abruptly. For middle powers, NAFTA-like mega agreements come with a high price attached: they lack adequate exit provisions. NAFTA does not protect Canada from US trade protectionism. So something different is required that does not institutionalize the disparity of power between the two countries. The operative idea of Andrew Cooper is "calculated ambivalence," not ambiguity.[27] Canada does not want to be high up on Washington's security-first radar screen. It needs distance and time to strategize and to listen to Canadian public opinion. Political positioning is first and foremost a strategic act. By necessity, Canadian diplomatic responses to US policy will be much more ad hoc and influenced by what other US allies are thinking and doing.

Canada wants to decide who its allies are on the merit of the case just like any other nation-state. This is much easier to effect now that the Atlantic Alliance is less functional and its politics more complex than at

any previous time since World War II. In the new world order, Canadians are not convinced that their destiny is always to play the role of the acquiescent deputy sheriff in the "coalition of the willing." The question is: Can a "middle-power" country learn to manage its relationship with Washington when the economics of the commercial gate seem to be everything and strategic self-interest only a vague concept?

Inside North America: Separate and Parallel

In their much-read volume, *Empire,* Hardt and Negri put their finger on Canada's immediate quandary: "Empire presents its order as permanent, eternal and necessary." Security is presented as having a strong ethical basis. In the world of empire, the guardians present every issue as essential and requiring unconditional support from its allies. The empire builds its new order so large and global that "it envelops the entire space of what it considers civilisation."[28] In reality, however, each country must make decisions based on a finely honed sense of its own national self-interest, which will determine its own security needs. This will involve other considerations such as cultural and political integrity, not to mention its own understanding of its international obligations.[29]

We Canadians need to probe the idea of our outsider status, and this will take much ingenuity, reflection and hard work. We must question it, refine it and give it legs and substance. As the US moves to precipitate more regime change globally, new responses are required from each of its allies. Robert Kagan, in his influential book, *Of Paradise and Power,* explains the psychology of power and American weakness from a realistic perspective:

> Strong powers naturally view the world differently than weaker powers. They measure risks and threats differently, they define security differently, and they have different levels of tolerance for insecurity. Those who have great military power are more likely to consider force a useful tool of international relations than those who have less military power.… American propensity to military action recalls the old saw "when you have a hammer, all problems look like nails."[30]

Geopolitical logic requires a different response from Canada.

The border has always been the political membrane through which people, wealth, goods and information must pass before they are considered acceptable to public authority. The basic rule of every border, even in this borderless age, is that all cars, trucks, boats, people and ships must be checked in and out. Borders thus remain indispensable to control transborder traffic and to protect public safety during health crises, such as SARS. The US closed the border to Canadian beef when a single case of mad cow disease was discovered in Alberta. Regulators from the US Food and Drug Administration responded very forcefully when California planned to import cheaper Canadian drugs. The assistant commissioner for policy said that any attempt to bring in Canadians drugs would be a violation of US law and "a compromise on safety."[31] Globalization may reduce the centrality of the border as a lever of public policy, but the state continues to need it for public safety, protection of the environment and most areas of public life.

Contrary to what many believe, borders are permanent revenue generators. In 1999, Canada's border generated $22 billion in taxes, duties and fees.[32] Canadians even pay for their sovereignty when they buy goods on the Internet, because the state, acting as revenue police, collects GST and PST for every article that comes into Canada.

Borders in a Free Trade Era

Had Ottawa systematically gathered knowledge on the border as a public policy issue, it might have observed that the border segments markets with respect to economic performance, social policy, trade patterns and domestic immigration to the US. The economic evidence points to an unorthodox conclusion: Although Canadians and Americans increasingly share one market, they do not live in a single economy subject to the same institutional pressures and outcomes.

The detailed and sophisticated empirical analyses of John Helliwell, Andrew Sharpe, Andrew Jackson, Gerard Boychuk, Michael Wolfson, Keith Banting, Richard Simeon, George Hoberg, Lars Osberg and John McCallum have revealed that both small and large differences persist and have not diminished despite

pressures from the global marketplace to conform and adapt. Their findings flatly contradict the principal claim of the free trade model that identity and borders are not supposed to count for very much against the powerful integrative forces aligned to consolidate the continental economy.[33]

First McCallum, and later Helliwell, two of Canada's most innovative economists, compared interprovincial and international trade densities in order to measure the importance of distance in export markets and assess the degree to which globalization had reduced the relative importance of borders. To their amazement they found, using a gravity model to measure the impact of distance on exports, that Canadians ship nearly three times as much to other Canadians as they do to the US.[34] Even with all the trade resulting from the Canada-US Free Trade Agreement, Helliwell discovered that "interprovincial trade linkages are still twelve times tighter than those between states and provinces."[35]

Growth in exports does not reflect a borderless world. Far from it. If borders didn't matter, the findings of such studies would be reversed. Canadian exports should have risen, given the opportunity to do business with the 200 million Americans who live beyond the border states. On this key issue, Helliwell and McKitrick discovered that "international linkages remain less dense than those within the national economy." Canadian provinces, no less than US states, rely on their national and regional financial markets as much as ever. That markets are, in Helliwell's and McKitrick's words, "segmented by national boundaries" is a powerful notion.[36]

Divergence and Not Straight-Line Convergence

From a policy perspective, Helliwell's findings point in a singular direction. The great North American border may be less important as a commercial gate, but it is still important as a regulatory and protective wall:

- Ottawa continues to be a primary agent for the redistribution of public goods. In 2000, Ottawa collected $38.6 billion more in revenue from the three wealthiest provinces—Ontario, British Columbia and Alberta—than it spent. This amounts to $2,020 per person.[37] In the seven other provinces, Ottawa spent almost $18 billion more than it collected in revenues, or $1,475 per person.
- Without Ottawa's redistributive hand, some provinces would need to double their tax rates in order to provide comparable services—Newfoundland's tax rate would double, while Quebec's tax rate would increase by about 5 percent and Saskatchewan's by 8 percent.[38]
- Public responsibility has devolved to states and provinces in North America to an unprecedented degree. In the past twenty-five years, Ottawa has gone from keeping 48 percent of all taxes raised to only 41 percent. The municipal share has declined marginally from 10 percent to 9 percent. The greatest shift has come about as a result of decentralization. During this time, provincial governments have increased their share of the tax pie to 37 percent, up from 33 percent.[39] According to an OECD study, Washington holds back about 45 percent of all taxes raised, state governments 20 percent, and local governments 12 percent.[40] These percentages have not changed significantly since 1975, despite Washington's downloading of fiscal conservatism onto individual states.

Increasing integration has not narrowed the scope for distinctive programs and politics on the northern part of the continent. The two countries continue to evolve on separate pathways. Taxes and government transfers remain cornerstone policies in Canada. In the US, the absence of government transfers has polarized income differences between states. Canada and the US have remained socially and economically distinct.[42]

Globalization has been unable to generate a way of organizing political life outside the nation-state. We have no way of knowing who is a citizen and who is not without identifying a person's nationality. In a fundamental way, citizenship and borders have renationalized politics and community at a time of North American integration. Canadians are now border-conscious in a way no one could have predicted.

The ascendance of Paul Martin could easily reverse the ad hoc "*independentiste*" policies of the Chrétien government. He could seek a special place inside Bush's homeland security doctrine. He could agree to the new missile defence system now in the works. And he could endorse the establishment of a Northern Command that would place Canadian forces under the Pentagon.

The idea behind "interoperability" would give Canadians forces, in theory, access to the latest US

weaponry, operations organization and military strategies, but this is the wrong policy choice. Canada's armed forces are already too US-centric and dependent on the US military establishment for status, prestige and the latest weaponry. In practice Canadian forces get professional training like the Chileans, Mexicans, Germans, British and Brazilians at prestigious US staff colleges. They don't get access to any US secrets, but Canadian officers who go for career advancement return to Canada predisposed to US military values and dependent on US military strategic thinking. In the process they have lost much of their capacity to think of what is best for Canada's strategic interests.

These long-standing arrangements for Canadian military integration into a US command and operations structure were the consequence of the Ogdensburg agreement signed between FDR and Mackenzie King in the early 1940s. This agreement and many others extolled the virtues of Canada-US cooperation. In recent decades the tradition of the Ogdensburg model appealed to the high command in Canada's armed forces, especially the notion that the two military commands had few significant differences in outlook. Canadian officers believed that they had the same goals, values and needs. Canada's top commanders believed that they could participate independently and with US forces for common ends. Today homeland security has rewritten the rules.

The "coalition of the willing" is under the direct control of the US military and Congress. There is no pretence that decision-making will be shared as it is in NATO, which operates on an alliance model of joint decision-making. Today the US has so much power that the equalitarian pretence of past arrangements is being dispensed with. It is not ready to share information or give up command and control to win over reluctant coalition partners. American military superiority is so overwhelming that Canada's capacity to plug in to this new military system is very limited. So what can be Canada's military role, faced with the American need for quick and nimble intervention worldwide?[43] Should we upgrade our UN peacekeeping capability and strengthen our military to be more effective in multilateral operations?

We need to answer the question of whether we have any place in the seamless US framework? This is the unprecedented challenge facing Canada's new prime minister. Homeland security is not an alliance where the cooperation of allies is needed. It is a different world where Canada and the US have differing assessments of the threats and the means for dealing with them and of the meaning of international law and institutions. With the US largely indifferent to the interdependence that defines the world of the twenty-first century, a large and highly visible strategic and ideological gap has opened between the two neighbours. The US does not look to its Canadian ally to be constrained, and neither does Canada have the means or influence to affect American power and behaviour on the world stage. An irreversible turning point in Canada-US relations has been reached.

2. A Stellar Decade for Borders: But Do They Matter Any Longer?

"Crossing the border is like ripping the continent, tearing its invisible casing."
—Clark Blaise, from *The Border as Fiction*

Crossing the Undefended Canada-US Border: So Much Anxiety Still

Compared to others, the 1990s was a very good decade for national frontiers. According to Daniel Latouche, who has calculated the growth of borders, over forty new borders were created, or about 4.3 a year![1] Many new countries emerged on the world stage following the breakup of the communist bloc and the Balkans, not to mention de facto borders set up by the warring factions in the developing world. For example, East Germany saw its borders with Poland and Czechoslovakia disappear when the two Germanies were reunited and Germany acquired new borders.

Superficially our age shares little with the world of 1919, when the Paris Peace Treaty redrew the map of the world in six breathless months. The victorious allied powers parcelled out the once mighty Ottoman and Austro-Hungarian empires to themselves, Germany was dismembered and older nations such as Poland, Estonia and Latvia reappeared from the ruins of Tsarist Russia.[2] The number of borders keeps increasing and few countries disappeared from the face of the planet in the nineties.

In our time, it is mental borders that have shifted precipitously with the destructive forces of nationalism, religious fundamentalism and tribalism emerging after long absence. Older paradigms such as Marxism have almost disappeared from the world of state power and policy. Strikingly, boundaries remain as much rigidly ideational as they are territorial. Today, countries are signing treaties and international agreements and undertakings at a record rate. Currently more than 3,500 treaties of all kinds are said to exist between states. This is hardly evidence of the borderless world that many predicted would emerge with globalization. The unified "global village" of Marshall McLuhan's celebrated metaphor does not mesh with what is happening on the ground. The inequalities between the global rich and poor have erected new barriers. Countries with long-established frontiers are trying to patch up the "leaks," doing their best to reinvent their borders to reflect pressing sovereignty agendas such as limiting cross-border crime, reducing illegal immigration and granting political asylum.

Patching the Leaks of Sovereignty

Between 2000 and 2003, over 300,000 illegal migrants were detained or expelled by US border authorities. In 2001 the single largest category of individuals detained or expelled were those who failed to present proper documents. In the same year, over 185,000 individuals were removed from US national territory—71,000 for criminal offences and 113,000 for non-criminal offences.[3] Mexicans represent the largest category of those who were turned back or deported, according to US Immigration statistics.[4] A recent study by the US Congressional Office reveals that Canadians constitute the fourth largest group of illegal residents in the US.[5]

In the UK, Prime Minister Tony Blair expected that the number of asylum applications will be halved in

2004, as a result of the newly passed Asylum and Immigration Act. Blair projected that the number of asylum applications would drop from a high of 92,000 before September 11 to between 30,000 and 40,000. Britains are worried that this Act will result in the UK defaulting on its international obligations under the Convention of Human Rights and to the EU.[6]

The ability to control the movement of "citizens" through the issuance of passports helped transform the nation-state. Now familiar binaries such as friend-enemy and stranger-citizen, became the foundation of national politics. The introduction of the passport was a critical moment for consolidating internal and external sovereignty. However, travel documents existed long before the modern nation-state. In his history of modern Islam, Bernard Lewis observes that Muslim emissaries were regularly sent to the West and were furnished with diplomatic letters of introduction.[7] The modern passport, although a product of the French Revolution, was not widely adopted until the early part of the twentieth century. Before then, European countries had permeable borders with few border guards. John Keegan catches the permeability of the lazy frontier of prewar days in this memorable sentence: "[One] crossed without passports at the infrequent customs posts and without formality anywhere."[8] France abolished passports and visas in 1861. Other countries would follow suit, and prior to World War I, Europe had abolished this police document.

It is often forgotten that, prior to 1914, millions of people came to North America without visas and travel documents. Border controls were few and checkpoints minimal. Controls came in after the flood tide of immigration following the "dangerous foreigner" scare in the 1920s. Those who found themselves on boats to the US were checked in at Ellis Island and for the hundreds of thousands of immigrants who chose Canada, Halifax was the great port of disembarkment. The general result of this growth in immigration controls was that "local borders were replaced by national ones, and the chief difficulty associated with human movement was entry into, not departure from, territorial spaces."[9]

Designing the Imperialist Border by Accidental Intent

The birth of the modern passport was but one instance of growing state control over individuals. In both peace and wartime, governments have understood the power of passports. In 1915 the Canadian government dropped the old practice of issuing travel documents signed by the Governor General. The first modern passport was issued in English only. In 1926 a series of conferences on international passports led to the first bilingual Canadian passport as French was still the lingua franca of diplomacy. In the 1930s, Canadians were directed to the Canadian legation instead of the British passport office. The largest single change came in 1939 when Washington unilaterally announced that Canadians would require passports, visas and other kinds of travel documents to cross the border. Until then about half a million Canadians had visited the US annually without formal documentation. Only belatedly, in 1947, did Canada begin issuing Canadian passports for Canadian citizens, the result of the passage of the National Citizenship Act. This was the first statute of substance that established domicile and naturalization through the immigration machinery of the state. It took eighty years after Confederation before Canadian citizenship with a distinct legal identity separate from Britain was finally promulgated.[10]

Today in North America the Great Border sometimes appears artificial and contrived to those who cross it daily. However, the imperative to control and organize national space started with the emergence of the nation-state in the eighteenth and nineteenth centuries. Once the surface of the earth could be mapped precisely and the bounds of land and sea measured with scientific mapping, the rush to establish geographical boundaries took on a life of its own.

Countries went to war over borders, seized the land of others and made peace by trading territories that did not belong to them, dividing and re-dividing the world with a passion rarely seen. European borders and national sovereignty were established by custom, balance of power, the modern peace treaty and, most of all, by sheer political will.[11] By the nineteenth century, with the New World divided up, European powers marched into Africa and Asia, carving up the world's remaining continents like real estate developers. Much like today's advocates of a borderless world, they seemed to think it possible to obliterate existing borders from civic memory.[12]

French, British and Italian explorers rushed to lay claim by outright occupation to "the huge expanse of empty space" in Africa. Alan Moorhead's classic history, *The White Nile*, captures the spirit of this rapacious

age, describing how, after the fall of Khartoum in 1885, the French explorer Marchand marched across the continent and claimed the Sudan for France! It is hard to believe that France and England were prepared to go to war over distant Sudan. The British Foreign Office sent no less than General Kitchener, fresh from victory at Omdurman, to assert British rights over French. With France mobilizing "to fight for the Sudan," Marchand and Kitchener met aboard the British general's gunboat for a champagne lunch to settle the issue.[13] Somewhere between *le plat principal* and the dessert, they took out the map and drew a line that became the border of Sudan. The geopoliticians of the day cared little about human geography. The great powers treated non-Western continents as blank spaces to be mapped, delineated and occupied.

Geographers, geologists, soldiers of fortune, jurists, scientists, missionaries, explorers, dreamers, scoundrels, pamphleteers, millions of immigrants and the persecuted became part of this historical movement to impose frontiers on new lands as well as older, settled countries. Defining a border was no mean task, and many factors from artifice to greed were determinant. Nation-building, sovereignty and borders became inseparable parts of national identities. North America was no exception to this rule and often served as a standard of imperial conquest. The processes of drawing lines in the so-called New World were as arbitrary and accidental as anywhere else on the globe.

North American Myth-Making and the Border

Historians have found it peculiar that the early borders of the North American continent were haphazardly determined by treaties that only mentioned lines of longitude. However, the earliest French documents relied on lines of latitude, being first used in 1603 when Champlain set Canada's eastern boundary as between 40 and 46 degrees latitude, an area that included the region between Cape Cod and Cape Breton. Proclamation of sovereignty in the New World was a crude affair, dependent upon great power rivalries rather than defined principles.[14]

The standard procedure was to extend political sovereignty from a settled area to an unknown one. Laying claim to vast unknown lands became the regular practice of French, British, Spanish and Dutch explorers. In 1761, Jeffreys maintained that Canada's limit in the west extended "over countries and nations hitherto undiscovered." In 1795, the Duc de la Rochefoucauld was bolder, claiming that Upper Canada was comprised of "all the known and unknown countries extending as far as the Pacific … and is bounded also northwards by unknown countries."[15]

The Artifice of the Great Map of North America: Drawing Lines and Evoking the Imperial Interest

The word "countries" was deliberate and meant not to recognize aboriginal entitlement and existing political organizations. In the pre-European period, aboriginal peoples' demands for territorial boundaries arose from the need for food. Hunting territories, with boundaries determined by rivers, ridges, lakes and other natural landmarks, formed the accepted political and geographic boundary markers for the Algonkian tribes. Native peoples in southeastern Canada used watersheds as boundary markers. Nicholson tells us that in "what is now New Brunswick, Martins Head on the Bay of Fundy probably separated the Micmacs and Malecites, and Point Lepreau the Saint John River Indians from the Passamaquoddies."[16]

European colonizers and invaders believed North America was a tabula rasa upon which they could impose any design or boundary their minds could conceive of. When James I granted Nova Scotia to Sir William Alexander, the patent was all the more remarkable because so much was unknown about the territory and its borders. Ignorance of terrain was not a barrier to the European powers. The language of this patent is a vivid reminder of the way the continent was partitioned. It describes the territory as "stretching along the Sea, westward to the roadstead of St. Mary, commonly called St. Mary's Bay and thence northward by a straight line … to the great roadstead Bay of Fundy." The reader then comes across a very strange phrase. The patent speaks of an imaginary straight line "conceived to extend through the land, or run northward to the nearest bay, river, or stream emptying into the great river of Canada."[17] Arbitrarily imposing an imaginary straight line on land that had not yet been explored to create a map few understood was first and foremost an exercise in politics.

Drawing "the map" was always an exercise in politics and conquest that the British and other imperial

powers like France, Spain and Portugal quickly mastered. The map meant ownership in a world of geopolitical rivalry. For instance, in the official 1795 map of the Annapolis Valley and the Maritime region on view at the University of Mount Alison's art gallery in Sackville, New Brunswick, what is most striking is that all evidence of the earlier Acadian settlement had been erased, and this map was of course in English. The British cartographer had largely copied the earlier French cartographer's map, removing any French place names of the Acadians who had lived in the Annapolis Valley since the early 1700s. In 1755 the British had brutally expelled ten thousand Acadian settlers from the choice Annapolis Valley, where they had lived and farmed for decades, to make way for British immigrants. Many Acadians made their way to Louisiana, but others evaded the British and remained in the region illegally. The 1795 British map had just empty spaces waiting to be filled. It was as if the British had come to this region first; everything previously present had been consciously suppressed. In Benedict Andersen's words, maps created the real and imaginary empire for the settler, and no less for British public consumption. The map made ownership "real" and authoritatively legal.[18]

Joining the Dots on the Map: The Divine Right of Kings

The view of the great North American historical geographer D.W. Meinig, in his three-volume *The Shaping of America,* was that the organization of interior North America did not correspond to actual modern state needs until the latter half of the eighteenth century. According to Meinig, the great turning point in creating the modern notion of North America was unquestionably the Proclamation Line of 1763. The Proclamation Line used geography on a continental scale to demarcate a boundary line that separated European settlers from indigenous peoples and reorganized the interior. Indian territories were recognized, Quebec's boundaries were delimited, Newfoundland's boundaries were adjusted, Nova Scotia's were demarcated with greater precision and the Crown was given vast lands, which it retains to this day.[19]

The success of the American Revolution forever changed the map of North America. With the signing of the Treaty of Paris in 1783, North America was reorganized into discrete national entities with a recognizable border that delineated two very distinct societies with different systems for justice, collection of taxes and customs, policing and religious affairs. Those who felt trapped by the new American state exited to Canada. Almost one hundred thousand Loyalists travelled north, and within less than a decade the border came to represent a natural geographic point of demarcation. Others followed and settled in regions throughout British North America. North America was again reorganized and new political arrangements were made when Quebec was divided eight years later. The story of the great North American divide does not end here, but much of the remaining history is anticlimactic.

Fixing the Border Forever

Since the American invasion in the War of 1812, Canada has not had to militarily defend its territory from its imperial neighbour. The Treaty of Ghent of 1814 attempted to define part of the boundary line between the US and British North America. In 1818 the western border was negotiated between Britain and Washington in London, not North America, and the resulting convention settled 1,372 kilometres of the boundary. In the far west, the US northern border was established not long after by the Oregon Treaty of 1846.[20] This makes the Canada-US border one of the earliest established and continuously recognized borders in the modern world. It is not the oldest though. The French-Spanish border, for example, was recognized by the Treaty of the Pyrenees, signed in 1659, and Sweden's boundary with Norway—part of Denmark at the time—one of the most stable in Europe, was drawn up in the 1740s.[21]

Neither Canadians nor Americans celebrate the date when their joint border was agreed upon. Canada did not have to adjust to a frontier arbitrarily imposed by Washington, nor did it ever close its frontier to the movement of people or goods from the Republic as a matter of economic principle for mercantilist reasons. At its origins, Canada was a commercial and settler colony born to trade. People, resources, investment flows and services have moved in both directions, sometimes easily, at other times with great difficulty, when the Republic and the Confederation used tariffs for nationalist ends. There were conflicts over Alaska at the turn of the twentieth century and tough words about free trade and access to each others' markets, but sovereign policies in an absolute way have never collided as they repeatedly have in Europe.[22]

Nor has US sovereignty ever been threatened by its northern neighbour. No US investors have faced a protectionist wall for very long. No Canadian government in the twentieth century has applied the kind of tough foreign ownership restrictions that would have kept Canada's resource bounty largely under Canadian control. Early in the nineteenth century Ontario introduced incentives to have logs processed in province, but most of the time all of Canada's national governments pursued foreign investors to transfer technology, jobs and production here.[23]

The establishment of the International Joint Commission (IJC) in 1909 further deepened the conviction that the Canada-US border was nonviolent and of low strategic order. Bureaucrats and diplomats were entrusted to settle conflicts related to water and other questions that arose, through compromise and consensus.

The politics of the Great Border were never the primary business of the IJC, a low-order body that only functioned well when US interests were not at stake. By then liberal nationalism had only two primary colours—market access and good neighbourliness—each a study in diplomacy and weakness. Canada's anxiety about gaining access to the US domestic market enabled smart and skilled US diplomats to extract concessions from their northern neighbour. This process of trade-offs and concessions took a quantum leap forward with the Ogdensburg Treaty signed in New York State in 1940.

Reading Mackenzie King's diary,[24] one would hardly know that the Canada-US relationship involved a foreign power. President Franklin D. Roosevelt phoned Prime Minister King and asked for a meeting the next day in Ogdensburg to work out the defence of the northern half of the continent. King agreed to meet and had no hesitation to accept without reservation the principle that Canada was part of the US security network. King signed the first of many joint defence undertakings that institutionalized cooperation between the two countries' military establishments. To enhance cooperation in the planning of sea, land, air and military productions, the Permanent Joint Defense Board was established, and the arrangements were formalized in the Hyde Park Declaration a year later. Here for some experts is the rather "unalarming" beginning of US homeland defence for the continent.

For King the logic of buying into continental security typified the mindset of his generation. He and his peers believed that they had to put as much diplomatic and economic distance between Canada and Britain as diplomatically possible, so Canadian independence meant coming closer to the US. His chief brain trust, O.D. Stelton, then undersecretary of state for External Affairs, believed in what he described as "a unique community of interests, perhaps even a collective identity" with Americans.[25] Their "big idea" (not unlike the similarly "big idea" currently being promoted by the C.D. Howe Institute and Canada's CEOS) was that US and Canadian military, defence, foreign policy and ultimately commercial policy had to be of one mind if Canada was to broaden its access to the US market and cement its friendship.

The historical record underlines just how erroneous this kind of policy was. Canadian elites were never convinced that the Canada-US border had much diplomatic or strategic value for Canadian domestic policy outside the economic realm. No one could ever imagine an American senior statesman dissing the border as a largely artificial creation, but for much of the time this was the prevalent attitude among many of Canada's leading diplomats. Hugh Keenleyside, one of Canada's senior officials, described the border in 1929 in deterministic terms, as "physically invisible, geographically illogical, militarily indefensible, and emotionally inescapable."[26] It is no wonder that, for all intents and purposes, the celebrated Canada-US border was not a priority in twentieth-century US history.

Ottawa's stance, heavy on pragmatism and short on strategic thinking, appeared to be relatively cost-free and seemingly natural, considering that Canada's territorial border wars with the US were all but settled by the twentieth century. The US invaded Cuba, Haiti and Mexico more than once and dispatched troops to Latin American countries on more than a dozen occasions. But these expansionist interventions failed to send a wake-up call to official Canada to rethink its role in the hemisphere. Canada did not produce the Canadian equivalent of a Charles Beard or a William Appleman Williams, historians who would educate two generations of Americans on the danger of empire. Harold Innis and Donald Creighton, both of whom had a commanding intellectual presence, never produced a systematic study of US power and its complex influence on Canadian cultural and political development. Europe would take the entire twentieth century to resolve territorial differences as nation-states looked to expand territorially—France wanted Alsace and Lorraine returned, Germany claimed its right to regain the territories lost in the 1919 peace settlement and the Soviet

Union regarded its borders as inviolate. China and later India invested heavily in their borders diplomatically, skirmished militarily and went to war to establish a formal frontier.

In North America nothing like this transpired. The boundary question was essentially settled by unexciting diplomatic means that balanced state power with national ambition. Canada lost thirty acres to the US in 1925 following a minor adjustment of the border, and the US gained another 2.5 acres of water in a later adjustment, but the land border was seemingly irreversibly fixed for all time. Unlike Europe, Asia, Africa or Latin America, the two countries have not gone to war to defend or extend the border since it was established by the Oregon Treaty.[27] Canadian writers and historians have long romanticized it as "the most friendly and least visible line of international power in the world. It is crossed daily by thousands of travellers who hardly notice it in their passage." Bruce Hutchinson concluded his hymn-like praise by comparing the great frontier to "a Niagara of genial oratory … illuminated … by a perpetual diplomatic dialogue."[28]

Internal Boundaries Are Also Vast but Different in One Critical Aspect

In its history, Canada has suffered from having too many borders, not too few. Its borders come in many shapes and sizes and many are internal. As immense as Canada's borders with the Republic are, its internal boundaries are equally vast. The Atlantic Ocean–Gulf of St. Lawrence shore is almost 30,000 km long. Canada's Pacific Ocean boundary is 16,000 km long, almost twice the Canada-US frontier. The Newfoundland–Atlantic Ocean–Gulf of St. Lawrence boundary stretches an awe-inspiring 18,000 km. In the far north, the Franklin District–Arctic Ocean–Davis Strait border is three-quarters the size of the Canada-US boundary. At the other extreme, the Nova Scotia–New Brunswick boundary is the smallest in the country, only thirty-four kilometres in length.

From another perspective, Canada is a victim of unbounded space. We have too much of it, as reflected in the immense size of Canada's political units. Our land and water perimeters amount to more than 61,000 km. Newfoundland's total land and water perimeter is 22,000 km, the largest in the entire northern Federation. British Columbia is next at 21,477 km, followed by the Northwest Territories and Quebec. Ontario is a small-shot, judged by its land and water perimeter, at only 6,200 km.[29]

Even with so many borders to maintain, Canada's spatial concept of the Great Border has always had a compelling quality, much more civic than driven by strict national security needs. Canadians have minimized its strategic dimensions and deepened its human security side as a domestic priority, reflecting the things Canadians share in common. We are one of the three large North American communities, whose loyalties are strongest within our own countries. We hardly register on each other's radar screens.

The First Postmodern Border

For reasons specific to Canada, a belief in the country's distinctiveness has always occupied a large place in national mythology, far beyond the legal aspects of the border and the elite views of diplomats. When Canadians look into their history, they identify with the heroic voyages of the early explorers who took on the vast continent with its extremes of cold and danger. Follow the voyages of the early trappers and traders and, it is said by historians, you can see the broad outline of modern Canada's boundaries, *ad mari usque ad mare*. Such simplicity indeed. The expansion of the fur trade from east to west was the first transcontinental enterprise, but it was no more than a coincidence. The arrows of causality hardly begin to explain the origins of the modern Canada that would emerge some two hundred years later.

The truth was much more complex. Harold Innis' pivotal idea was that Canada was created because of geography and reinforced by the grooves of a transcontinental commerce, which served a basic collective need.[30] As D.W. Meinig points out, "every mature nation has its symbolic landscapes and these landscapes are an essential part of the symbolism of nationhood. The border and all that happens around it become a shared part of the ideas, memories and experiences that bind people together."[31] The border enters the ideological structures of the nation, vividly distinguishing "us from them," paves the way for the state to extend its power and authority over all individuals within its boundaries, and helps blur regional, ethnic, linguistic and class divides. The Canadian side was less rich in symbolism but nonetheless managed to play a transformative role in the imaginary notion of the nation.

In the twentieth century the most celebrated defining moment in the battle to establish the primacy of

the Great Border in the Canadian national mindset was cultural, not economic. The first formative turning occurred during and immediately after World War I. Thousands of young Canadian soldiers came to the realization that we had grown far apart from the British. In the words of Frank Underhill, "Canadians went up Vimy Ridge as colonials and came down its bloody slopes as Canadians." Nationhood and nation-building were forged in wartime for Canadians at that "fatal ridge."[32]

The second formative moment occurred as American radio threatened to invade Canada in the thirties. Canadians could not compete with the cheap imports from NBC and other networks unless they pooled their resources and looked inwards to combat dominant US values and interests. Inspired in part by Walter Lippman's writing on democracy and public opinion, Graham Spry and others quickly understood that public broadcasting was the ideal instrument "to cultivate a healthy, alert, informed and active public opinion."[33]

When the Border Mattered: Culture as Quasi-Sovereignty

The Radio League organized a hugely successful social movement for public broadcasting. The political climate persuaded Conservative, pro-business Prime Minister R.B. Bennett to establish the Canadian Broadcasting Corporation (CBC), a publicly funded authority that guaranteed citizens a democratic voice. It didn't ban private broadcasting but forced wealthy private broadcasters to compete with public authority with very relatively few resources. It was a typically soft-nationalist compromise supported by churches, trade unions, civic associations, some of the leading media, business groups and Quebec's opinion leaders, but flawed from its inception. US mass culture continues to pour into Canada through largely unregulated private broadcasters and the US film and music industry. Institutionally, the CBC, the Canada Council and the Canadian Radio-Television and Telecommunications Commission (CRTC) remain a latter-day Maginot Line barely equipped to protect Canadian interests.

Still, because of turning points like these and the establishment of a non-American, publicly funded health care system, Canada's concept of the border has a "good citizen" quality to it. Anyone who doubts this should compare the Canadian and American customs declaration cards that must be completed by each visitor to the country. These seemingly insignificant instruments of border management tell a potent story.

The Particularities of our Two Borders: Comparing Visa Entry Forms

On its customs declaration card, Canada Customs asks all visitors rather straightforward and obvious questions about firearms and other weapons, and goods that have commercial or professional value, which may require inspection. As an agricultural country, Canada asks its customs officials to demand that visitors declare anything that might threaten Canada's resource bounty, including animals, birds, insects, plants, soil, fruits, vegetables, meats, dairy products, living organisms or vaccines. Customs wants to know if you have purchased any articles made or derived from endangered species. The Canadian border is not presented as a defence perimeter as it is to the south. It is almost unseen by the visitor, a quick administrative inconvenience, something that matters only for immigration purposes. For a country with one of the longest borders in the world, Canadian officials convey the impression that, except for wrongful entry and illicit shipment of goods, the border operates as a kind of minor administrative irritant, and its physicality is almost rendered a moot point.

Should a Canadian plan to spend time in the United States, they immediately perceive a fundamental difference. The US border is highly politicized. The border official who greets you is armed and the border card for a visa waiver demands answers to a long list of probing questions.[34] A wrong answer and you could be detained, expelled or barred forever. The card asks whether you have been a drug abuser or an addict, or are infected with a communicable disease. It asks whether you have ever been arrested or convicted for a crime involving moral turpitude or a drug-related violation. It wants full disclosure on whether you have ever been arrested for two or more offences for which the aggregate sentence was five years or more. The United States expects full disclosure to the question that asks whether are you seeking entry to engage in criminal or immoral activities.[35]

US authorities have a particular interest in whether you were involved in any way with Nazi Germany and its allies, and whether you were prosecuted as a war criminal. They want full voluntary disclosure regarding any acts of espionage or sabotage, terrorist activity or genocide with no time limit imposed. US

customs officials want to know if you have been excluded or deported from the United States or refused a visa for fraud or misrepresentation. American authorities have a massive computer data bank to double-check whether your answers are truthful and forthcoming. Visitors who have been detained previously or who have withheld custody of a child from a United States citizen granted custody of that child would be barred. Finally the form asks whether you have ever asserted immunity from prosecution, despite the fact that it is, of course, one's right to do so. For those with serious business, who intend to stay for more than a day of shopping, the border is the demarcation point that separates the American from the non-American, who is termed "an alien."

The US Border as a National Institution

The US has always valued the border as a security ditch for protection and citizenship. Since the late 1990s the two have become increasingly tangled and next to impossible to separate. The American grand narrative has focused on a singular idea: the inevitable triumph of the US frontier over adversity, a vision that has no fixed territorial limits or spatial dimensions. Historically, it was pure nation-building given voice and respectability by historians and social reformers alike. The relentless expansion of the US meant that the frontier was always on the move. In the American mind, the US border/frontier was a marker and a perfect mirror of the American psyche.

There was precious little in the American psyche that was pan-American by intent or design. The myth was that all the people pouring into the US from Europe speaking so many different languages would embrace the American century and civic nationalism wholeheartedly. The "melting pot" is a singular image that speaks reams about the US meta-narrative. It was designed to fast-track monoculturalism and suppress the most visible forms of multiculturalism that immigrant societies naturally gravitate towards. The reality was always more complex.

Picture North America in the 1800s, a century before the monoculturalism of the US melting pot triumphed. Meinig provides the starting point to grasp just how far from its multicultural origins the continent has evolved under American interest and influence. He reminds us that Afro–North America stood at the southeast corner in an oblong shape that included Curaçao, Cuba, Jamaica and Florida, with New Orleans in the west and Bermuda as its eastern boundary. The British north was a vast territory from Hudson's Bay, butting up against Russian America in Alaska and bound by the enormous territory of Louisiana in the south. In the west, New Spain had claimed California and New Mexico as its own. Its territorial ambitions would collide with British North America in the northwest. On the political map of the time, the United States appeared as the least promising among the group. A hundred years later, expansion, conquest and the thirst for moving the frontier made Americans forgetful of the geopolitical diversity of the continent. They turned inwards as they moved aggressively to consolidate their power on the continent, and by the middle of the nineteenth century, diversity, the most important thread, had been dropped down two or three registers in importance.[36]

The Restless US Frontier

Conquest and an unending obsession to move the frontier in all directions made Americans see the continent as an extension of their culture and values. Americans read the geography of the continent in terms of their own interests and put the full force of their nationalism behind the creed of US expansionism.[37] Fredrick Jackson Turner, arguably the most important American historian in shaping the American mind, singled out the frontier as the defining element in American individualism and popular democracy, and America's unique gift "to the garden of the world."[38]

During the nineteenth and early twentieth centuries, Turnerites published *The North American Review*, a New York-based magazine that caught the "Turner Wave" that was building at this time. It presented articles on a wide variety of social, scientific, religious, economic, political, artistic and literary issues. However, the "North American" part of the title was a complete misnomer. Almost no mention was made of the "other" countries of North America, Canada and Mexico. Instead, the *Review* focused on US domestic issues, such as immigration, division of legislative powers, commercial expansion and the "Wild West," and presented articles on countries subject to direct American imperialism, such as Cuba and the Philippines. It provides us with an early example of the fragile and often absent North American perspective on the continent, its contributors

and editors being more interested in events in the Pacific and west of the United States than those in their northern and southern backyards.

Although the facts behind Turner's "frontier thesis" did not make perfect sense and many of his claims were stylized generalizations that later American historians would demolish, his hypothesis has dominated American life to this day for a good reason: it became equated with the rise of self-confident US cosmopolitanism and fundamentalist patriotic values. From this angle, it is not difficult to grasp just how tendentious the idea of a culturally integrated North America was then and is still now.

In the rearview mirror of history, a single idea has stood out for Americans: Canada's West should be the US's north![39] Turner's notion of the frontier was a non-starter in Canada, given that the Canadian frontier was vaster, its climate harsher and the role of government greater than south of the border. For Canadians, nothing could be more preposterous than the idea that their wilderness was conquerable. Canada's wilderness remained defiant to mere human endeavour and required all the sovereign powers of the state to attempt to tame it. Market forces and geography combined to support a massive state presence in the economy, sharply differentiating Canada from the US model and its political culture.[40] For this reason alone there would be no replay of Turner's frontier thesis on the northern half of the continent, even though the constant movement of peoples across the permeable borders of the New World created communities of the like-minded.

When the Border Doesn't Matter

The contemporary border/frontier continues to invoke different responses from Canadians and Americans. For Canadians it is about relations of power and the power differential between the two countries that constitute the Great Divide. For Canadians, social space, the nature of a spot or a place, is part of the material reality that structures human existence nationally, regionally and locally. Public places, markets, cultural centres, safe streets, clean cities, hospitals, universities and day care centres all need to be paid for and supported. But even more importantly, in the Canadian mind, social space is the result of collective endeavour. It is a large and visible part of Canada's patrimony, and Canadians have invested heavily in social space and the rights and obligations this entails. They believe that land and resources as well as education and health care are common property, public goods that form a large part of their heritage and should not be privately owned.[41]

Americans do not see the need for a public commitment of these resources. Meinig said it best of all: In the US, "landscape is wealth and space is a form of stored-up capital waiting to be exploited if the price is right. It is this fundamentalist view of space as a commercial frontier that continues to be so pre-eminent in contemporary American ideology and values."[42] The spin given by economic determinists is that the power differential is so large that Canada ought to throw in the towel. Popular commentary once claimed that North American economic integration would bind the national governments so tightly that autonomous public authority would expire.

Stephen Pearlstein, the *Washington Post*'s former Canadian correspondent, wrote as part of the end-of-Canada mentality, observing apocalyptically that "Canada is haunted by a disturbing question. Will there even be a Canada in 25 years, or will the country become, for all practical purposes, the 51st American state?"[43] This kind of morbid obsession about Canada as an improbable nation fails to explain the persistence of Canada as a separate but unequal entity or its prospects in the global economy.[44]

Significantly, no American believes that the US is going to disappear because of unparalleled levels of integration with Canada and Mexico. You will find no articles in the *New York Times* or *Washington Post* on similar themes. Italians, who have as fragile a country as Canada in many important respects, do not have this sort of fear. French intellectuals do not rush to declare solemnly that "the possibility of France not mattering has to be taken seriously." Nor are many much poorer countries, with few of Canada's resources, obsessed with the possibility of wholesale assimilation by a powerful neighbour. Quebec intellectuals have never embraced fatalism and the end of politics; rather, in the modern period, these notions have triggered resistance and pushed Quebecers to develop strategies to level the playing field. What is at the source of so much border angst on the English side of the language divide?

There is a fundamental misconception about border culture and border regions in North America. At the border, cultures are mixed and traits exchanged, but goals and values are not always automatically blurred as many contend. People living at the frontier end up straddling two cultures without any definitive resolution.

Take the well-known example of law and order in our two Wests. The settlement of the two North American Wests went in fundamentally different directions with immediate consequences. In British Columbia and the Canadian West generally, there was "no revolvering, no instance or need of lynch law."[45] The North West Mounted Police provided control for the Okanagan and Red River valley districts. Just across the line, rampant individualism and lawlessness prevailed as there were few police to establish the authority of the US state. What this tells us, as Klein observed, is that social interaction "does not lead to the disappearance or assimilation of the cultures." [46] Regional identity, no less than national identity, needs boundary markers and national institutions and values to fill this function.[47]

Some of the boundaries are lines on a map while others are linguistic or cultural divides. When we think of places, such as Toronto, Vancouver, L.A., New York and Mexico City, with diverse cultures co-existing among different neighbourhoods, the boundaries are cultural rather than territorial. So boundaries and borders of a non-state variety are also created by the presence or lack of communication and social networks where people meet and congregate.

When Culture Crosses the Border: Canada's Un-American Narrative

In a global world, few borders are airtight and there are always spill-overs between neighbouring countries, states and provinces—francophones in Maine, Hispanic-Americans, the North American West. The shared experiences of the frontier—migration, existence on the periphery, often speaking a common language, labouring as farmers and settlers—have all stamped the borderlanders' perspective with shared identities and aspirations, irrespective of which side of the border they live on. In terms of lived experience, the border becomes a "spatial record" of the relationship between local communities and their national government. It produces oddities such as Stanstead, a border town of about three thousand on the Quebec-Vermont frontier where the water and sewer systems are shared, but not values, perceptions and loyalties. After Ottawa's decision not to back Bush's "coalition of the willing," the library that straddles the frontier was declared a no man's land. The citizens of Stanstead struggle not to criticize each other "because we are all neighbours. Our kids play hockey together." But when the chips are down, of course, the border matters and if you cross CANUSA, its main street, you are expected to report to the border control![48] Even in small towns like Stanstead, the differences between Canadians and Americans are palpable and deep.

As an exercise in geopolitics, the full chronology of the Canada-US border has yet to be written. Even though there are many border issues, the fact that no Canadian government has developed a strategic plan to manage its side of the fence speaks volumes about our mentality and our perception of the great southern border. In 1917, James Macdonald wrote a prescient book significantly entitled, *The North American Idea,* based on lectures he gave at Vanderbilt University. It can be read as the definitive Canadian answer to the great American historian Turner. Macdonald put his primary argument bluntly: the North American idea is "the right of a free people to govern themselves"; North America was about "national integrity as an inalienable right."[49] How Canadian to defend sovereignty for all countries both great and small, and how unlike Turner's restlessly moving frontier big idea!

Macdonald's big idea was to make "every little nationality … secure against the ambition and greed of the large and the powerful."[50] His North America was identified with freedom, self-criticism and tolerance, not the American-style frontier. It was about the relationship between immigration and assimilation, multiculturalism and monoculturalism, cooperation and unilateralism, and an array of questions relating to pluralism, nationalism and federalism. Above all else, it was about the capacity to be different and yet remain interdependent, like the directions of a compass. Post-9/11, Canada and the United States have yet to find that balance between diversity, citizenship and social need north and south of the Great Divide. We have reached a turning point where the political geography of the continent has changed beyond all recognition.

3. Tipping Point: The New Political Geography

"Canada and Mexico may seek partners; the United States seeks only customers." —John Wirth, from "Advancing the North American Community"

The Regional Lock-In

As legal and spatial boundaries have been redefined by new information technologies, does it make sense to regard the continent as an incipient nation-in-waiting when there are so many sub-national and sub-regional identities operating within each country? Experts have never agreed on the precise characteristics of a regional economy and its effect on regional integration and development. If the defining characteristic is not exports as a percentage of GDP, are there twelve regions or forty? Is it fair to talk about Michigan, Illinois and Ohio and their own histories and local economies in the same breath as Quebec, Ontario and B.C.?

Ontario and Quebec comprise large sub-economies, as do California and New York, but their populations are worlds apart, with strong sub-regional political cultures. The micro-regional culture of upstate New York shares nothing in common with northern Ontario other than the fact that Canada's massive energy exports light and heat much of the "Empire State." Economically, New York and Big Sur in California are far apart, but this is less important than the fact that middle-brow Americans from the east and west coasts share a common value system, believing in the supremacy of American individualism and democracy. The majority of Americans no longer vote, but this has not diminished their faith in the uniqueness of American values.

So far no one has been able to give a definitive answer to the question of the nation-region interface. Should it be defined by production networks that traverse the continent? Or should the growing volume of goods and services that flow between metropolitan cities be the defining standard? Or is North America morphing into a vast hinterland of metropolitan centres dominated by New York, Los Angeles, Toronto and Montreal? Surprisingly, North Americans remain markedly attached to their national communities despite the transnational flow of commerce, information and culture. We are more Canadian than ever in our values, as Michael Adams has powerfully demonstrated in his book, *Fire and Ice*.[1] Values are the litmus test of similarity and sameness. We are becoming more unlike despite NAFTA, deficit cutting and the rise of the neo-conservative right.

No one can dispute that Americans are more committed to their country and flag than at any time in recent history. The Pew 2003 Global Values and Attitudes Survey reconfirms, if any confirmation is required, that 75 percent of Americans were pro-US values and policies in world affairs. In most other countries those interviewed were critical of their government and society. Not so in the US. Americans have become the statistical outlier in their global views of others and themselves.

Still as Newfoundlanders, Californians, New Yorkers, Torontonians and Haligonians, a part of us likes to romanticize the local and assert our unique regional identities and lifestyles. We want to view the region separately from the nation-state and give it the power and autonomy the nation-state once had. In the end, North Americans are often of the same species but decidedly not of the same family. There are divides that can't be easily set aside or ignored.

A hundred years ago, close to one-quarter of Canadians born in Canada were living in the US. A century later only about two percent live on the other side of the border. The vast majority have chosen to remain

at home as the two countries have grown ever closer economically.[2] The sole exceptions are managers, executives and skilled professionals who have used the NAFTA temporary work visa to find employment in the US. On average about 16,000 leave each year, but many return.

Just prior to the signing of the NAFTA, Canada barely registered on the US migratory map. A puny 7,100 Americans chose to make Canada their home each year between 1991 and 1994.[3] In 1997 an Industry Canada survey found that 1,866 managers and 916 engineers and computer scientists took up permanent residency in the US, and more than 500 nurses and almost 400 doctors also moved south. The more skilled have the best chance to get a US green card to work legally. Certainly there is no Niagara of movement from the US across the "open" border post-NAFTA.[4]

North America's Nation-Centred Regionalism

All of North America's regions remain stubbornly nation-centred and dependent on state and provincial authorities on their side of national borders. The Foundry, or Great Lakes, region is probably the most successful industrial area on the continent. Anchored in the mass-production industries of automobiles, steel, chemicals and electronics, it stretches between Chicago, Toronto and Ottawa anchored in middle America and central Canada. It is driven by the dense concentration of industry in south-central Ontario, as well as intrastate commerce in parts, machinery and equipment among Michigan, Illinois and Ohio. This industrial heartland is a dynamic and wealthy region.

No other part of North America has as much interstate and interprovincial trade as the Foundry. Despite the gravity model findings of Helliwell and McCallum, Ontario trades more with the Foundry than with any other province—95 percent of Ontario's exports are shipped to the US and almost 80 percent of US-based multinationals operate from the golden triangle of south-western Ontario. From a Canadian perspective, Ontario is the industrial, financial and technological centre of Canada's most modern and competitive industries. Its industries are sophisticated and successful. From a North American perspective, Ontario is a small player dwarfed by the rest of the vast American consumer and industrial economy. It is linked by commerce to the Great Lakes region, but politically and culturally it remains distinct, as Ontarians are also strong nationalists and provincialists. Its political culture is a confused blend of red Tory and social democratic values mixed with a liberal market individualism dominated by the branch-plant mentality of its managers and much of the economic elite.

Think of it this way. Being close to the US doesn't mean that Ontarians have the whole world lying just beyond their border; they only have an easily accessed corner. Most of the US market is very far from Ontario's industries. Canada's GDP is only about 10 percent of the North American total, and the entire Canadian economy is about the size of the GDP of Texas, according to Earl Fry, one of the US's top Canadian experts.[5] The economy of New York State is the size of Brazil's; Turkey's the size of Washington State's, and France's is equal to California's. Successful countries have diversified their exports to the US; Canada has not and in the main continues to excel in traditional exports such as rocks, logs, energy, agricultural products and auto parts. So, being in the backyard of the US market has not dramatically changed the composition of Canadian exports across the board. Canada is losing out on higher valued exports as the gap between total exports and the share of highly processed value added exports as a percentage of GDP has more doubled since 1990.[6] We sell a lot because US companies operate on both sides of the border line. Over 50 percent of our merchandise exports are intra-firm.

Like all industrialized countries, Canada has relied on government initiatives and strategies to develop an international-scale economy, which has benefited most leading Canadian companies, even if they would be the last to admit it. Nationalistic policies, such as the Canada-US Auto Pact, signed in 1965, and the Maquiladora Program initiated by Mexico in the 1980s with strong support from the US State Department and US big-three auto assemblers, were key in altering the division of labour among North America's car industries, plants and regional producers. It is no coincidence that the best deals Canada and Mexico ever struck, for a big-time market niche in the continental car production market, were these nation-to-nation deals negotiated with Washington.

In a free trade age, with so many different strategies in play, the state has continued to play an interventionist role of some kind throughout North America. Governments make a difference even if their policies are not

always very innovative. US military bases and other kinds of defence spending on infrastructure provide local job and work opportunities for hundreds of thousands of Americans in the poorest regions. North of the forty-ninth parallel, the Maritimes region, by dint of provincial government subsidies and handouts, has the distinction of being one of the continent's leading-edge call centres for US multinationals and service industries. Some 35,000 people work as customer representatives in call centres in Nova Scotia and New Brunswick. The stress is high and the wages are low, at about $9 an hour. This kind of part-time, contract work is replacing fish processing plants as the region's chief low-wage employer. The role of government has been critical and decisive in the Maritimes, creating some of the most important opportunities for private entrepreneurs.[7]

In Quebec, too, government grants are the source of many new jobs in the service and high-tech sectors. Bombardier, a global success story, has received billions in subsidies from both Ottawa and Quebec to sell its short takeoff and landing airplanes.[8] Quebec has pioneered Quebec Inc., a strategy it used to great advantage in the 1960s and 1970s, creating dynamic and aggressive state enterprises for Quebecers and an emerging francophone middle class. The Caisse de Dépôt has become one of the continent's premier investors, with funds totaling over $130 billion in 2003. It uses Quebec's pension plan savings and other public funds to invest in high-profile industrial enterprises in Quebec and throughout the world.

By contrast, market forces left on their own have proven to be poor instruments for delocalizing highly regionalized economies. New innovations and growth in economies of scale favour already privileged regions. Knowledge spill-overs between firms in such famed clusters as California's Silicon Valley and Boston's Route 128 have created a unique, internationally competitive advantage for many high-tech firms, but local considerations remain as determinant as ever for existing industries. Take, for example, the cases of financial services in New York, film production in Los Angeles, and textiles in the US Southwest. Strong local factors supported and sustained their comparative advantages. To this day, Wall Street nominates three representatives to the Federal Reserve Bank and ensures New York's commanding role as the centre of finance.[9] The L.A.-centred movie industry has received all kinds of critical support in financial and labour regulation from the California state legislature to maintain its dominance as a production centre. Textile giants in the US Southwest have benefited from low-wage and anti-labour state legislation. Most critically, every American industrial lobby group relies on US trade law to protect jobs and investments from unwanted import competition.

All of these dynamic forces have prevented any reshuffling of the cards among American and Canadian regional competitors.[10] Canadian firms are viewed as savvy and smart but only second-string players in the highly efficient US regional system of growth and rapid industrial change. They haven't the clout of French, German or Japanese megacorporations. What's prevented Canada from moving up the regional ladder, if we take seriously the proposition that North America is an incipient region-state?

An Historical Puzzle: US Development and Locational Choices

The best American economic geographers have explained that divergent regional development in North America is driven by cumulative processes that pervasively influenced national economies from the mid-1800s to the 1960s. Paul Krugman argues convincingly that the concentration of industries in the United States was locked in early on and was not strictly driven by demand or comparative advantage. Location of demand became a highly conservative force, freezing in time an established centre-periphery pattern that lasted "intact into the next century."[11]

It is not incidental that the US eastern seaboard maintained its industrial dominance even when its primary market had moved west and its resources had to be trucked in. The end result was that the American West failed to develop manufacturing even when a larger local market existed and could have supported it. The US manufacturing belt remained concentrated in a narrow stretch of territory along the eastern seaboard long after the centre of gravity of agricultural and mineral production moved west.

This story is complex, but it contains important lessons for North America today. Imagine Canada and the US as a multiregional economy where the border is neutral and Canada has a very small share of the population, and the US the majority of people. Markets are always difficult to exploit because manufacturers will only locate in markets that are not necessarily larger but better known to them and where industries

obtain strong economies of scale by investing in best practice technology. Just as often they prefer the advantages offered by local labour markets over distant ones. American regionally based growth poles act as powerful magnets for capital, talent, expertise and new technology to move among regions and mostly within national borders. Only under special conditions will industry relocate to take advantage of potentially new economies of scale. American industry migrated to Canada in record numbers to gain access to British imperial markets, particularly after World War I. They used Canada as a platform to export to South Africa, Australia and the UK, with great success.

The history of North American regional development in the contemporary period has followed this well-established trajectory. Other than auto assemblers and parts suppliers, firms tend to bunch up on their side the border and stay put. They don't pull up roots to exploit new market opportunities elsewhere on the continent unless they have to. The most competitive and mobile US giants go overseas or elsewhere in the hemisphere. In the big picture, some industries and firms migrate, like auto parts manufacturers, but most don't leave their regional home base unless there are powerful forces driving them outside the region. They tend to stick to their original sites long after there is any need to. They are not cross-border hoppers by instinct, doing so only when it is in their interest to gain a specific advantage from new technology, as now.

This kind of corporate behaviour focuses the mind on an essential point, that regional divergence cannot be explained by standard equilibrium equations in which all of North America's regions are on a level playing field for new investment. A different set of dynamics is operating regionally and nationally. The most important is that the US manufacturing beltways of the continent have always fuelled the dynamism of the American economy in the aggregate.[12] The above-average performances of America's national regional champions have followed a well-documented pattern of sucking in investment and developing impressive economies of scale, but always at a price.

Failed American Regions and the Race to Be Competitive

The continent's poorly positioned regions not only fail to be competitive and diversify exports, but fall further behind in the race to upgrade. The poorest American states have been failed economic zones for as long as Newfoundland has been the poorest region in North America. They have never gotten a better deal by opening their markets to international forces. Incomes are low and these regions or states have always had the largest number of poor and low-income families on the continent. Nebraska, Kansas, Mississippi, West Virginia, South Dakota and Arkansas are at the bottom of US per capita income measures and neither federal nor local tax breaks, reliance on free trade or other corporate subsidies have ever changed very much in these poorest US regions. Flexible accumulation strategies have failed to make a dent in breaking the regional poverty cycle even though the US has had the lowest unemployment rates and almost three decades of above average job growth among OECD countries.

It is no coincidence that many of the poorest US states have abolished personal income tax or instituted a flat-rate tax. According to the Washington-based Institute on Taxation and Economic Policy, "their tax systems take a much greater share of income from middle- and low-income families than from the wealthy."[13] Some of the most regressive state tax systems, and lowest wage rates, in the US are found in the industrial heartland, in states such as Illinois, Michigan, Pennsylvania and secondary-rank assemblers such as Tennessee. Among the have-not states it is not uncommon that people at the bottom 20 percent by income pay up to five and a half times more of their earnings in taxes than the wealthy do.

With few of its federal programs addressing the growth in poverty since the US welfare state began to shrink in the 1980s, American poverty rates are among the highest of any industrial country. This is the primary finding of the Luxembourg income study, which examined poverty rates for eleven industrialized countries, employing a standard of 40 percent of median income as the benchmark. Researchers found that in 1997 the US had the highest poverty rate, at 10.7 percent. Canada, with regional unemployment compensation programs, more generous social policies and higher social-assistance minimums came in at a distant 6.6 percent.[14]

America's Postmodern Narrative of La Frontera

America's failed regions —Alabama, South Dakota or Arkansas, to name only a few—loom large in the postmodern narrative of pluralistic experiences as places inhabited by the outsider, the excluded, the oppressed and the marginal. Here the highest proportion of poorly paid employees inhabit the borderland, "a vague and undetermined place."[15] They are not part of the Krugman story about regional upgrading through dynamic change and industrial inventiveness. They haven't made the grade but nonetheless occupy a special place in American mythology.

The southwestern border particularly dominates the American imagination as one of the most important regions in the modern US narrative. When Americans write about *la frontera*, "a narrow strip along a steep edge," in the powerful imagery of Kerwin Lee Klein, as a place where they encounter the other and process those differences, it is always as a tale of their own frontier and ethnocentric history.[16] It is a narrative of exclusion or assimilation that springs directly from an obsession with the frontier as part of the American dream.

The American appetite for frontier history, though vast and unlimited, is marked by one primary colour. It is always US-centric and focused on the need to enhance America's awareness of its own internal cultural boundaries. >From James Ellroy's cult novels of US power, violence and criminality, to Russel Banks' powerful indictment in *Continental Drift,* works of surreal fiction epitomize the anomie of contemporary American regional society. They are stories of broken-down tough guys and pathological killers locked in a permanent war against nature and the US state. These social misfits are at the margin of the marginal economies.

Canada as Ethno-History: America's Blind Spot

Canada cannot be typecast as an "edge region" of North America. Canadians belong neither to the world of the excluded nor the assimilated, nor are we an outlaw people, defiant and unruly. Hence we protrude like an outcropping in the American landscape, uninteresting as ethno-history to the American mind. Canada is not an integral and recognized part of the US regional universe. The exception is Quebec, an exotic head-turner compared to English Canada, the "plain Jane," dull and Americanized. Frequently the Maritimes, the dutiful daughter, gets better press as a different, friendlier kind of edge region—with its old-fashioned liberal values of decency, community and individualism. These caricatures cannot be read literally, but they make a basic point. Canadians do not fit the defining characteristic of the prototypical American frontier experience, where the frontier always extinguishes cultural differences in the name of a new cosmopolitan future.

In the American imagination, Canada has never existed or needed to be assessed because it is there and part of the larger context that has to be taken into account.[17] To paraphrase McLuhan, Canadians have a deeply rooted libertarian streak in their national character. When urban Canadians go out "to answer the call of the wild" as North Americans, McLuhan felt we did so with a private face and often a private voice: "Our individual life is hidden away for private judgement rather than public inspection."[18] We are hardly visible to the US cultural eye and have rarely fulfilled the dramatis personae that Harold Innis, Canada's most innovative political economist, foresaw for Canada on the periphery of US power. In his evocative words, frontier economies, such as Canada's, were slated to become "storm centres to the modern international political economy."[19]

He was wrong in this important insight into the Canada-US relationship. In the twentieth century, Canada never became an articulate centre of opposition to US power. The insurgent tradition of resistance that he predicted failed to materialize, and Canada with its truncated economy never saw the need to develop a full range of effective economic policies with which to constrain US influence in its domestic affairs. More importantly, social policy has been the single area of distinction in which Canada has excelled since the 1970s, though not without a chequered history.

Why was Canada more innovative in the domain of social policy than in the arena of international competitiveness? The identical Canadian mindset was not motivated to invest in a national system to innovate technology. At other times, Ottawa saw the need for a broad-based unemployment insurance system but not for legislation to require Canadian employers to invest in skills training across key industrial sectors. Here is a puzzle that needs answers and links back to the issues Krugman so powerfully analyzed. Immigration, public goods and geography often work in ways that reinforce Canada's capacity to be different in North America.

Well before the signing of NAFTA, in the early part of the twentieth century, the primary business of the national government was investing in ports, railways, harbours and roads. Tariffs were needed to protect Canada's infant industry and create work and employment before the welfare state was established after World War II. Since the 1990s, spending on infrastructure has become a shadow of what it once was. Spending on roads and other infrastructure has fallen to about 5.5 percent of GDP, about one-half the levels in the golden era of Canadian capitalism in the 1960s and 1970s.[20]

As the flows of Canadian immigration have changed, Canadian citizenship issues demand much more from public authority, in terms of both public goods and policies of social inclusion to promote multiculturalism, or what experts prefer to call "diversity through shared institutions and values." The complex needs of the demanding Canadian citizenship agenda contests a narrow reading of economic issues and in recent times has become one of the transversals of modern political life, challenging the rigid Left-Right alignment of Canadian politics

Citizenship, Identity and Markets

Since the late 1980s, identity politics have required that Ottawa protect Canada's multicultural diversity much more aggressively and rivalled any incipient belief that the regions of the continent were coming together as a social entity. Canadian multiculturalism, as it evolved, forced Canada to look inwards rather than outwards and take stock of a much larger transformative process than any group of NAFTA effects.

The concept of "multicultural" was based on the principle that no one group takes precedence over any other—all identities are in theory equal and the government welcomes and encourages active citizenship. Multiculturalism has been a process and not a one-shot deal. New Canadians have had to be given the "opportunity and capacity to participate in the shaping of their communities and their country."[21] So, far from being a one-track minimalist liberal creed tied to market fundamentalism, diversity and citizenship have infused Canadian society with a big-idea agenda that has had to be managed by Ottawa, the provinces and cities. Immigrants have needed to be housed, helped with job searches and often retrained, helped to master a language and have education provided for their kids.

The Multiculturalism Act of 1988, enacted barely a year after the signing of the first free trade agreement, commits the federal government to protect ethnic diversity, ensure equal employment opportunities in federal institutions and establish policies and programs that develop active citizens who will shape the future of Canada and their communities. Continued changes in immigration patterns in the late 1970s shifted attention towards visible minority groups and race relations in Canada, as an increasing number of non-white immigrants entered the country. Human rights and employment equity became priority concerns, as were social issues such as the media's depiction of minorities. It was during this period that statute, constitutional and international law expanded markedly; most notable in the national context were the Citizenship Act of 1977, the Canadian Human Rights Act of 1977 (revised 1985), the Canadian Charter of Rights and Freedoms of 1982, the Employment Equity Act of 1986 and the Multiculturalism Act of 1988.[22]

In Canada, citizenship is anchored in the nation, and constitutional citizenship is protected by Canada's Charter of Rights and Freedoms. Section 27 instructs judges to interpret the Charter "in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians." In theory, immigration and diversity needs cannot be easily overridden or ignored even in a free trade era.[23]

In fact, Ottawa spends a pittance on official multiculturalism in comparison to its support for bilingualism, the program that has always taken the lion's share of federal funding in this area. Support for ethnic organizations has always been modest, and it is unclear how much of a difference Ottawa's policies have made. What is not in doubt is that Canadian diversity has had to be recognized and accepted. Since the early days popular support for the idea of diversity and multiculturalism has acquired as much strength outside Ottawa as in the corridors of government.

Because Canada has never had a strong "I am Canadian" culture, Canada immigrants and newcomers have not been expected to assimilate into the culture of the majority to be Canadian. How could it be otherwise? For reasons indigenous to Canada, this pluralist conception of the national community has given the politics of citizenship a great deal of room to grow. This has meant that Canadians and Quebecers have had to devise institutions that construct a more differentiated identity, one based on a very strong belief in

pluralism, tolerance and fairness, rather than on a rigid common public culture. Danielle Juteau is right that it was Jacques Parizeau's attack on "ethnics" for the 1995 referendum loss that forced Quebecers to bury the old Quebec nationalism and extend the boundaries of the national community to all residents.[24]

The Charter requires Ottawa to protect diversity, remove racial, ethnic and gender barriers to inclusion, and ensure in legal terms that new immigrants have wide access to society's resources and benefits. Charter activism has not forced Ottawa to do all that it should, but the Charter has created high public expectations that a strong state presence is a social good and the proper role for government. It has also made Canada's border policies a beltway that determines who enters Canada and has a right to settle here and be part of Canadian society.

Global Cultural Flows and the Transformation of Canada

Surprisingly, public policy experts have been slow to grasp the dramatic impact of the global flow of immigrants, which has become an unstoppable dynamic in recent times. It has challenged the commerce-first border with its belief that border issues between Canada and the US had been all but settled by free trade.

Global immigration flows into Canada have broken all past records. Immigrants are coming to Toronto from China (21 percent), India (17 percent), Pakistan (9.2 percent) and the Philippines (6 percent). Korea, the United Arab Emirates, Iran, Saudi Arabia and Romania comprise another 10 percent. Vancouver, Montreal and Winnipeg are other epicentres of immigration. In 2003, China became the leading country for immigration to Canada. Even smaller cities that used to be outside the multicultural flow are receiving immigrants from these countries. The percentage of foreign-born Canadians has reached its highest level in seventy years at 18.4 percent. Only Australia, with 22 percent, exceeds this. [25]

Today's immigrants are more skilled than any group of immigrants in recent times. Although they often come from lower-income families, they have the support of their family and tight-knit immigrant communities. They have the drive and skills needed to negotiate the demands of their new society. According to the most recent census, the sons and daughters of immigrants are better educated and more likely to go to university than native-born Canadians. Immigrant offspring are highly concentrated in the most skilled occupations, gravitating towards the natural or applied sciences, health care and the financial sector. Immigrant young adults aged twenty to twenty-nine form the largest age group.

As outsiders in their new country, first-generation immigrants have faced barriers that every immigrant group traditionally experiences on arrival. They have to take the low-paying jobs, and many are de-skilled. For example, many South Asian and Middle Eastern immigrants' higher-education credentials are not recognized by Canadian authorities. But they have not encountered permanent silos of racism and exclusion. Their skills and education provide them with resources to get ahead.[26] These transformative global cultural flows have become, in ways no one predicted, more important and far-reaching for Canadian society than even a decade of free trade and spending cutbacks. Trade has not inspired any great sense of national achievement, but identity and citizenship have captured Canada's political imagination on both sides of the Quebec/Ontario border.

In the minds of new Canadians, identity is a source of pride, linked to the integrity of territory and the collective "we" of public space. A *Globe and Mail* poll, conducted by the Centre for Research and Information on Canada, found that second-generation Canadians in their twenties ranked multiculturalism and the Charter of Rights and Freedoms as the highest sources of Canadian pride.[27]

In ways that no expert could have predicted, Canadian immigrants have bought into the citizenship and identity agenda in record numbers. It is not the official programs alone that explain the unprecedented response. The numbers tell us one significant fact, and that is that Canadian citizenship has appreciated massively in value.[28] It is sought-after and prized. In the 1970s, 60 percent of adult immigrants became citizens; by 2000, naturalization levels had risen to over 70 percent. In the US, the naturalization rate has taken a nose-dive, plummeting from a buy-in of just over 60 percent in 1970, to 35 percent in 2000, the lowest in a hundred years. Why are there such fundamental differences and a clearly identifiable citizenship gap?

The End of Welfare as We Knew It

Prior to 1996 there were two established welfare states in North America, but in 1996, almost a decade

after Ottawa had passed its Multiculturalism and Citizenship Act, Clinton terminated Aid to Families with Dependent Children, the legislation that provided entitlements to needy families and was the cornerstone of the US welfare state. US welfare had been inclusive. Immigrants, legal residents and the recently arrived had all qualified for support and assistance. Clinton replaced the previous legislation with the Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA).[29]

The redefinition of US citizenship shot to the top of the policy agenda. By the late 1990s, for the first time a sharp distinction was being drawn between citizen and immigrant, and deserving and undeserving citizens.[30] Permanent residents were to be denied access to health insurance, nutrition benefits, welfare and related work supports. In addition, they are not entitled to aid for the aged and disabled. It was estimated that the US government would save $20 billion from these restrictions alone.[31]

The PRWORA focused on workfare, tough rules and harsh penalties, imposing two-year time limits on eligibility to benefits with an overall five-year lifetime limit. This watershed reform legislation cut the legs off of all existing social programs, setting new eligibility requirements and forcing every state to maintain a balanced budget. The psychology of the program succeeded in ways that no other reform legislation in the last forty years had. It was the tipping point that would redefine North America's institutional character and, just as importantly, America's level of collective engagement in civic responsibility.

With the formal end of the US welfare state, individual states were free to impose their own carrots and sticks, and to make rules tougher and more restrictive. Many states imposed even tougher eligibility requirements, harsher penalties and stiffer work requirements, including restrictions on having children while receiving welfare. Welfare recipients who had additional children lost their welfare benefits. Social workers in many states were given incentives to reduce the welfare roles even further. The new legislation reduced the numbers on welfare by almost 50 percent.[32] In addition, PRWORA denied lawful immigrants eligibility to certain benefits and gave states the capacity to withhold other benefits to immigrants until they became citizens. Immigrants became by default or design one of the prime targets of a government-led revolution to redefine American citizenship practices to fit market fundamentalist principles and the conservative social revolution.

Under a waiver program, states could impose much tougher rules than were contained in the original legislative proposal. Over thirty states took advantage of this "flexible provision" to introduce departures from past practices. The number of families covered by US welfare benefits dropped precipitously from 4.5 million in 1996 to 2.25 million in 2000. Single mothers, disadvantaged mothers and those with the lowest employment skills left the welfare rolls in large numbers. Most had no choice given the tough rules and incentives to slim welfare rolls. North America has never witnessed such a disenfranchisement from welfare benefits in such a short period of time.[33]

The spending cuts that US states were forced to make fell heavily on low-income workers who had lost their jobs, and permanent residents and recently arrived immigrants who were without resources. With so many applicants, many stop-gap social welfare programs have gone over budget. They provide minimal support, but there are simply too many poor people for many states to cope with the demand. In 2002, forty states had to battle budgetary shortfalls amounting to nearly $40 billion. The outlook for state budgets was recently described as "bleak" and "dire" by US governors, who called for billions of dollars in new federal support.

It is an understatement to say that distributional issues do not rate highly in Washington's policy analysis circles. Decentralization was designed, in the words of Alice Rivlin, the former director of the Office of the Budget and now a senior fellow at the Brookings Institution, "to end the growing sense of powerlessness" that the average American feels.[34] The neo-conservative revolution stressed devolution and not the need for deepening and broadening federal social programs that had already been cut back, and access to them narrowed. But this primary goal, commanding citizen loyalty, has not been achieved by devolving government responsibilities to the state level.

The radical decentralization of education, health, social welfare and medicaid has created confusion between the federal and state governments over functions and responsibilities. This stands in contrast to Canadian federalism, which has a much clearer division of powers. Ottawa's redistributive powers are large and highly visible to any Canadian living in a have-not region. Transfer payments from wealthy to the less-well-off provinces run into billions of dollars annually and equalization payments are part of the constitutional

deal struck by Trudeau when the Constitution was repatriated in the early 1980s. In Canada's federal system, the boundary lines are sharp, even if the overlaps are large. In the US, local and state governments are unwilling to take unpopular measures such as raising taxes to reduce income inequality. The political forces against tax increases are as strong in state capitals as in Washington.[35] Washington's redistributive role is tiny compared to Ottawa's, and American states have far fewer jurisdictional powers than Canadian provinces possess.

In its present state the US system reduces any possibility of political renewal and makes US politics least responsive to the needs of low-income Americans. It wasn't always a system of indifference, but it certainly has become one since the Reagan revolution in the 1980s. Currently the US federal system is overstretched and in deficit position at both the state and national levels because of deep tax cuts introduced in recent times by all levels of government. The consequence is that with less revenues there is little spending room for redistributive social programs. In the recent period, state spending has risen twice as fast as federal domestic spending.[36] Without the resources to match, and forbidden by federal law to run a deficit, more than forty state governments have cut services, fired state employees and imposed new flat-rate taxes, a burden that falls most heavily on low-income Americans. It is projected that by 2004 the American deficit will reach a record high level of more than five percent of GDP. The size of the deficit, including the hefty bill for the US occupation of Iraq, will mean new cuts to social spending and other areas of the budget or, failing that, an even larger national deficit.

The New Contract with America

Some American pundits have called these sweeping changes a "new citizenship," "the contract with America" or, simply, ultra-liberalism, although not of the cruder kind associated with free trade. It is a potent revision because citizenship is always tied to the nation-state's territoriality and its exclusionary capacity. When there is an external threat, American nationalism has become inseparable from the template idea expressed in Clinton's first inaugural address of "one America," "the world's indispensable nation." What makes this latest expression of American nationalism so singular as a political creed is that the foreigner is increasingly viewed as a menace to national security. Crime prevention, enforcement of existing legislation and coordinating information among police agencies, intelligence and immigration officials reveal the functionality of borders for security purposes. The disjuncture between security and US citizenship is now very large.

The inspiration for drawing the line between the citizen and immigrants for federal programs is a pure nineteenth-century liberal model—only the deserving are to be considered part of society. Centralized public structures of the modern welfare state are relegated to the sidelines and in its place "smaller, more private, more local forms of organization are to be admired."[37] This notion is derived from Madison's idea that no majority should be able to dominate society. The only way to guard against the vice of majority rule, according to Karl Rove, the brain trustee for Bush and the Republican Party, is to break society into "so many parts, interests and classes of citizens" that the rights of individuals will never be threatened by any combination of the majority. How un-Canadian and so far removed from a public culture of common responsibility.

It is a peculiar vision of society where the aggregate interests of the community barely exist in any recognizable form and where the social bond is reduced to a bundle of legal rights and competing interests in the hope that no one group or interest will ever become too dominant, powerful or influential. For Rove and Bush the best society is "the one in which many groups compete and counterbalance each other, to the point of perfect political equipoise."[38]

No other society on the planet shares this communitarian ideal of politics to an equivalent degree. The success of moral conservatism in the US goes far beyond Bush's presidential victory. It aims to displace the once mighty Democrats, who dominated US national political life from Roosevelt through Clinton, as the governing coalition. Canada has never had the capacity to engineer systemic social change without regard for outcomes on such an unparalleled scale. Quebec nationalism and Canadian regionalism have been a brake on any such grand political project. Even with Canada's highly centralized executive style of federalism, wherein Ottawa has so much power, Canada never became a neo-liberal copycat of the great Republic. The checks and balances imposed by the Charter on federal-provincial relations have also operated as a partial political firewall against Ottawa's ideological grand vision. And public opposition has acted as an important brake on

the government's ambitions. The US has no equivalent, built-in set of institutional restraints. Contemporary American political culture is organized to be a catalyst for non-stop transformation at home, at school, in the workplace and, most of all, in the mass media. With no effective opposition present, families, communities and businesses are required to get with the program. The consequences on the fabric of US society have been equally profound.

As this liberal revolution has gathered steam, equality of opportunity for all, the one standard that Americans had deemed the bedrock of their political system, has been downgraded and downsized. Under the Clinton and Bush presidencies, government no longer has to demonstrate equal concern for every person under its dominion. The idea of treating all people as equals is primarily a legal principle, not a political one. Today the US has some of the most minimal institutional protections for its citizens of any modern community, but paradoxically the American people have more legal rights than any other country in the world.

Income Security and Economic Integration: Adding Up the Numbers

What continues to make Canada unique and non-American is its institutional mix. It has an "un-American transactional mode of distribution" compared to the US type of market exchange; Canadians look to the state to lower transaction costs, while American voters have not abandoned their preference for the market and the free enterprise system to set things right.[39] The income security gap between the two countries is the most significant difference of all. According to the most authoritative study to date, carried out by two Department of Finance economists, Americans spend 7.1 percent of GDP on income security measures compared to 11 percent for Canada, a massive difference of 3.9 percent[40] (see Table 1). Such measures do the most to reduce income inequality. More than a quarter of Canada's GDP is spent directly or indirectly on redistribution and protecting the social bond.

Canada has done much better than the US in learning to reconcile the efficiency of markets with the values of social community. Canadian national policies have strong redistributive effects, reducing inequality in earnings and diminishing regional disparities. Canada has relied less on income taxes and more on income transfers to contain and reduce inequality. Between 1974 and 1985 the US did a better job in equalizing family incomes, but in the more recent period, because Canada did not dismantle its social welfare system, transfers have had a stronger equalizing effect.

The more generous Canadian programs have made a difference regionally, and for low-income families. The poorest 25 percent of Canadians are better off than their US counterparts, and when Canada's system of transfers is added to market income, the regional impact is often huge. When market income plus transfers are counted together, "one quarter of Canadian families are better off than their US counterparts in terms of purchasing power."[41]

Earnings and income polarization has slowed and moderated across Canada while in the US inequality has sharply increased. Although not all provinces have benefited equally, Ontario and Alberta have moved up, while the four Atlantic provinces remain in the backwaters in terms of income disparity. Even so, leading Statistics Canada experts Wolfson and Murphy's major conclusion is unambiguous. Inequality differences among regions within each country were "smaller than those between the two countries" between 1974 and 1997.[42]

Between 1950 and 1989, Americans expected that their economic situation would improve for each family each year and each decade. Capitalism would be adjusted for democratic ends and inequality kept in check. This was the lynchpin of a US welfare system that has been effectively broken. The earnings of many Americans have stagnated for almost three decades. Between 1974 and 2003, incomes increased about 10 percent, from $32,000 to $36,000. After-tax income for families in the middle of the income pyramid grew by only 10 percent according to the Congressional Budget Office. In the same period, the wealthiest one percent of families saw their incomes rise by 157 percent. The average annual compensation of top CEOs soared from $1.3 million to $37.5 million, an increase of more than one thousand times the pay of ordinary production workers.[43] Today the restructuring of American political life resembles that of the late nineteenth and early twentieth centuries when the state was smaller, private welfare larger and income inequality wider.[44] Legal residents, immigrants and children born in the US but from immigrant families find themselves relegated to

the margins of American society, having no access to comprehensive redistributive programs.

What Do the Causal Arrows Tell Us?

A sociologist might explain the continent's new political geography by saying that North American markets, identity and citizenship were once reinforcing but no longer are. Now two of these three arrows are pointing in sharply opposing directions. Identity and citizenship speak to who we are individually and collectively, and are a matter of positive sovereignty in Canada for promoting the public good. By contrast, economic integration has pushed Canada a long way down the axis of negative sovereignty, limiting public authority's capacity to intervene and protect citizens. Critics correctly argue that North American governments are a shadow of what they once were. They have been left with an outer shell of formal power, an inner skin of neo-liberal beliefs and little political will to act deliberately to promote social and economic justice.[45] But even here the reality on both sides of the border is not the same.

Canadian provinces have not tailored their programs to fit those in US states. The free traders who predicted that the American standard would become the Canadian norm in a matter of years were wrong. Differences within Canada have proven more important than anyone predicted and have slowed down the process of convergence between Canada and the US. Boychuk and Banting, in their detailed examination of policy convergence, conclude that the "overall picture is one of persisting differences.… Core programs continue to evolve along separate pathways."[46]

The picture in North America mirrors the trend across OECD countries. There is no evidence of across-the-board convergence with respect to taxation or public expenditures. In 2003, France and Germany were in violation of the European Union's stability pact by posting deficits of about 3 percent of their gross domestic product. Japan led the pack with a deficit of 7.7 percent, followed by the US at 4.6 percent, a figure predicted to be much higher the next year. Britain's overspending reached 1.9 percent and was rising. Of the Anglo-American countries, Canada was in top place with a putative surplus of 1 percent of GDP in 2003 and the expectation for continued surplus in 2004.[47]

To recognize that Canadian minimum standards are higher than US standards for old age pensions, social assistance, health care and maternity leave is not to note a small difference. No Canadian province has welfare entitlements as low as many US states.[48] In 2002, Canada's child poverty rate was one in six, compared to one in four in the US; 20 percent of Canadians had low-paid employment compared to 25 percent of Americans; private social spending in Canada (4.5 percent) was almost half the US amount (8.6 percent); and employment insurance benefits as a percentage of earnings was 28 percent in Canada but half that level, 14 percent, in the US. Almost 40 percent of Canadian workers were covered by collective bargaining agreements, but only 14 percent of American workers had access to workplace representation.[49]

You are better off receiving social assistance in Ontario than in West Virginia. Even the poorest regions of Canada are better off than the most destitute in the US because of Canada's system of social transfers. Core political and philosophical differences have heightened despite higher levels of economic integration, as North America's two welfare states have been diminished and constrained in very different ways. We can debate the adequacy of Canada's minimum wage, the need for more support to children living in poverty or the thinness of poverty lines, but Canada's level of institutional support sustains a surprisingly resilient and strong domestic social bond.

The temptation is always to adopt policies in favour of the undefended border, but this has never been an adequate framework for a free, diverse and compassionate Canadian society. Only conscious improvement in the institutional framework of Canada and intellectual mastery of the social forces of identity politics can point us in the most desirable direction. Canadians have effectively chosen to limit the kinds of market outcomes that produce "unforeseen results." They are sceptical about the American liberal individualist tradition. Modern Canada's privileging of the collective "we" now constitutes the Great Divide between the north and south of the forty-ninth parallel.

Canadians need to focus a lot more on their own point of view. Canada and the US used to be thought of as similar peoples, but now their dissimilarities with respect to the role of public authority and citizenship obligations have become more visible and compelling. And these divisive trends appear to be increasingly impossible to reverse.