

Big Picture Realities: North America Transformed Canada and Mexico at the Crossroads

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**Introduction, Daniel Drache ed. *Big Picture Realities: Canada and Mexico at the Crossroads*,
Waterloo On: Wilfred Laurier UP, 2008.**

Introduction: Big Picture Realities: Canada and Mexico at the Crossroads

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North America Transformed

The attentive reader will discover that the primary concept behind *Big Picture Realities* refers to dramatic sea changes in the political-economic order of North America. Ideally every government wants to manage these big picture realities rather than be managed by them. Public authority has to be focused in order not to be blind-sided. At present, leading, pace-setting institutions like the labour market, education, and health systems are being required to change and adapt to the new power dynamics triggered by the deep-seeded reorganization of the system of production, wealth creation, new citizenship practices, and public expectations (Hollingsworth and Boyer, 1997). In a way no expert predicted, these forceful expressions of national interest and domestic priorities have reappeared as the new and authoritative agenda-setting priorities for all three NAFTA signatories.¹

Canada and Mexico are highly differentiated societies that need to terms with the cumulative and contradictory effects of these micro and macro changes. If, in the 1990s, the contour of North America was organized around a grand commercial project driven by neo-liberal deregulation and deep market access, in this new century, security and immigration have overtaken the once seemingly unstoppable dynamic of NAFTA as the driver of the North American community (Randall and Konrad, 1992). Many if not all of these changes are breathtaking in their consequences.

At one time, Canada boasted of having the world's longest undefended border, today, the great northern and southern borders are militarized and securitized to a degree unprecedented. In

2006, Bush authorized the stationing of more than two thousand troops to guard the US side of the 49th parallel. On the southern border, twenty thousand US troops have been put on duty on the US side of the Rio Grande. The centre piece of the Bush administration was to create a North American security perimeter with a singular focus on protecting US sovereignty. Border security is the high-maintenance public policy cutting across the length and breadth of US government departments (Susskind, 2007). Responsibility for North American continental security lies with the super-sized US Department of Homeland Security with its budget of more than one hundred and fifty billion dollars annually and its vast and intrusive reach across the length and breadth of the US government. Support for the US security-first border has transformed the institutional dynamics of the continent, arguably forever (Haglund, 2003). Its vast program for inspection of every passenger vehicle, truck, ship, and plane that enters the US has no precedent. US authority must monitor, verify, and screen the vast trans-movement of people between Canada, the US and Mexico.

With over three hundred and fifty million annual cross-border visits between the NAFTA partners, the task is daunting if not next to impossible to carry out with one hundred percent effectiveness (Canada, Auditor Generals Report 2007). According to the US Government Accountability Office many of the problems undermining US security efforts are home-grown. Budget cuts have lead to serious under-staffing of US border agents and poor training for border officials (Blumenthal, 2007). Seventy-five thousand Americans whose names appeared on the US no fly list were barred from boarding planes (Homeland Security, 2007); but there have been so many errors and mistakes that in 2006 fifteen thousand people appealed to the Homeland Security Department to have their names cleared. The backlog is growing faster than the names are removed (Hall, 2007).

Stepping Up to the Plate

Canadian governments have not been idle or passive spectators to the world of Homeland Security. They were quick off the mark to legislate a made-in-Canada security policy after 9/11. Canada's security-first border has been transformed beyond recognition over the last seven years. Both Liberal and Conservative governments have spent more than ten billion dollars upgrading, enhancing, and securitizing Canada's intelligence and security capacity. The activity on securing the border has been intense and unprecedented (Canada, Senate Committee on National Security, 2006). Customs officials have been given new responsibilities, and for the first time in Canadian history, are armed. Passengers arriving by air, sea, and rail are required to show a valid passport. By far, the greatest change has come for Canadians and Americans who enter the other territory by car.

As of January 2008, in a dramatic reversal of policy, the old practice of 'flashing and dashing' documents to customs agents will be replaced. Every Canadian and American will have to show their passport at the border (Drache, 2007). With over three hundred million border crossings annually, wait times will lengthen unless the number of border guards is increased dramatically. Existing staffing levels are inadequate to meet the new rules of transborder screening since between Windsor and Detroit wait-times are already aggravatingly long and unpredictable. By contrast, one of the busiest pre-clearance operations is at Pearson International Airport. Daily more than ten thousand passengers embark to the US, and with twenty or more US customs officials on duty for peak periods, wait times are minimal. But the highly efficient processing of a high-volume passenger airport is the exception in the world of border co-management.² Under the new rules coming into effect in 2008, the decision whether to inspect the documents of all passengers or just the drivers' will be left to the discretion of US officials.

At Canadian land border crossings wait times will vary enormously, depending on the time of day, the ad hoc practice of custom's inspectors, and the volume of traffic. Travellers should count on several hours to cross, but the times will vary enormously particularly at peak periods and holidays.

Canadian governments have tightened many other related border management practices. The issuance of Canadian passports has been overhauled, and new administrative procedures have been implemented, including background security checks. The Stephen Harper government is spending millions of dollars to provide cities with security alert systems, even in urban areas which are far from the border and are not primary immigration destinations. Canada's east and west coast harbours have seen their security upgraded as the government has spent hundreds of millions of dollars installing new surveillance equipment. These are the more visible signs of the new security age.

Goods and services continue to move across the continent largely unimpeded beyond the anticipated delays at border crossings. Empirical studies reveal that ninety-five percent of all shipments cross without any inspection from US border services (Drache, 2007). Just-in-time systems of production have not been disrupted in the auto, steel and electronic industries except when the Canada-US border was shut down tight in the days following 9/11. The most authoritative study carried out for the Economic Analysis of Security affecting wait times found that trucks had to wait up to one and a half hours. The largest cost is financial where Canadian truckers have had to pay close to \$500 million in extra costs of US security measures. Most of the burden comes from US measures imposed by Homeland Security (Chase, 2007). American authorities are proposing new inspections of food and drug products. In effect Canadian shippers are being charged for the new US security measures, a unique form of

downloading. Only 14 percent of these border fees stem from Canadian government initiatives. Nonetheless, Canadian exporters continue to lobby for shorter wait times at the border and have learned the value of the skilled intervention of customs' brokers and other service industries, which ensure that administrative glitches are kept to the minimum. Exporters don't like the new security rules that add costs to their lean margins, but they are learning to adapt to them.

Leading Canadian business organizations continue to lobby Ottawa for exemptions but none appear to be forthcoming (Clarkson, 2003). Contrary to NAFTA provisions, the Bush administration has imposed new taxes at the border requiring Canadian exporters to pay for the increased surveillance and the cost of a 'thicker border' (Chase, 2007) Intense lobbying by Canadian chief executives has not resulted in rule changes as US officials have turned a deaf ear to Canadian corporate complaints. Canadian business is largely on its own. In the last five years, no leading American CEO has publicly challenged the new rules of border security. Patriotic compliance is the norm, not public criticism.

At the political level, Canadian authorities regularly cooperate and liaise with their counterparts in homeland security on a daily basis. This newfound security focus extends to the top of the political hierarchy. There is a permanent liaison committee between the Prime Minister's office and its US counterparts. Former Prime Minister Jean Chrétien established a cabinet committee on security to coordinate the security file across the face of government. Paul Martin, his successor, gave the security file greater visibility with the appointment of Anne McLellan, a senior minister with responsibility for public safety and security.

Under Harper, security concerns continue to be a major priority of government. Canada's Public Safety Minister is a senior member of Cabinet responsible for all aspects of implementation of security as a cross-cutting issue. Stockwell Day, the present Minister,

regularly interacts with his US counterpart, Michael Chertoff, the serving Secretary of Homeland Security. Nothing comparable exists with Mexico, although Mexican officials would like to move up the security chain and occupy a status similar to Canada's. Finally in this long list of initiatives, Canada and the US have signed a number of agreements in the security area. The most important is the 2005 Security and Prosperity Partnership (SPP), a framework for deepening the trilateral relationship that explicitly links prosperity to the goals and objectives of the Bush administration's commitment to security first. So far it has acquired no policy legs, and the one-day annual meeting for the heads of state is largely a photo op for the leaders (Freeman and Curry, 2007).

The Security Backlash

What is the most important issue facing Canada?			
Q: In your opinion, what is the most important issue facing Canada today—that is the one you are most concerned about?			
	2006		2007
	Jan. 4-5	July 13-16	Jan. 11-14
n=	1500	100	100
	%	%	%
Health care	25	20	18
Environmental issues	4	12	26
Government leadership/ stability/ foreign policy	8	7	6
Terrorism (includes all mentions of Afghanistan)	1	7	6
Economic issues (excluding Gov't spending/unemployment)	6	6	6
Taxes	3	4	3
Education	2	4	3
Government spending	2	3	3
Unemployment/employment	2	3	4
Crime/violence	10	3	3

Globe and Mail, CTV, The Strategic Counsel

Despite the massive investment in the security-first border, it is uncertain where the road to North America leads, if anywhere. The idea of a North American security perimeter has not found its legs with Canadian public opinion. When Canadians are asked to rank their most important concerns, health rises to the top of the list followed by the environment (*Globe and Mail*, 2007).³ By contrast, focus on homeland security and terrorism are low priority items for Canadians compared to Americans. The Pew Centre reports that the war on terrorism and immigration remain the major preoccupations of the majority of Americans surveyed followed by economic concerns and health care worries (Pew Centre, 2007).

It is not all that surprising that Canadians display a persistent ambivalence to the North American security perimeter for three principle reasons. First, Canadians are apprehensive that the Bush war on terror and its doctrine of unilateral regime changes undermine Canada's commitment to international law and strong belief in multilateralism (Welsh, 2004). Within

Canada's multilateral security culture, support for human rights-based international law has made Canadians deeply sceptical of being drawn into the US security orbit any more than necessary. Public opinion has operated as an effective break on Harper's ideological decision to be a Bush loyalist. The recent US Supreme Court rulings against military show trials of enemy combatants in Guantanamo and unauthorized spying on US citizens has hardened Canadian public opinion's opposition to the US homeland security doctrine. Canadians are sceptics about the idea of fortress North America. The public opinion divide between the two countries has grown larger as the political situation in Iraq continues to deteriorate (Goldsmith, 2007).

Second, the homeland security doctrine has a rival in Canada's commitment to the broad policy goal of human security. Canadians have a very positive view of governmental institutions and look to government for leadership and protection of the social bond (Clark, 2007). Still, the Harper government has had to deal with the fall-out from the Maher Arar case, the Canadian citizen of Syrian origin who was kidnapped in 2002 by US authorities on a return flight to Canada and returned to Syria where he was tortured. The previous liberal government and Harper tried to contain the political consequences of this outrageous violation of human rights by US authorities but were forced to set up a commission of inquiry headed by Supreme Court Justice Dennis O'Connor (Arar Inquiry Report, 2007; Leeder, 2007). Among other things, the commission has focused on the complicity of the RCMP in handing Arar over to the US authorities based on the faulty, misleading information they supplied the CIA. After much hesitation, the government bowed to public opinion and apologized to Arar and his family. They were compensated with a ten million dollar settlement, the largest of its kind in Canadian history. In December 2006, the head of the RCMP, Guiliano Zaccardelli, resigned for lying to the House of Commons committee investigating the role of the RCMP in the Arar rendition. He was the

first commissioner in over one hundred years forced to leave his post as head of Canada's world famous police force. Another inquiry is underway for three other Canadian Muslims who were extradited and tortured in similar though quite different circumstances (Bell, 2007).

Torture of a Canadian Citizen Mahar Arar: US Rendition

Canadians are angered by the fallout from the Arar inquiry as it highlights the unfairness of US anti-terrorist laws. Recently the Arar story acquired new legs when in October 2007 US intelligence forces leaked a story to the Canadian press that one of their unnamed informants alleged that Arar attended an Afghan training camp when he travelled to that country (Leeder, 2007). The continuing news campaign against Arar highlights the role of US intelligence services in attempting to divert public attention away from the US practice of 'legalized' torture (Susskind 2007). Arar has been given no explanation as to why he remains a security threat. Alex Neve, Amnesty International Canada and contributor to this volume, stated that, "There is no Canadian whose case has been subject to more minute consideration and exhaustive review that I can think of. There is no reason to consider Mr. Arar as a danger. There has been a 2 ½ year inquiry, an exhaustive, comprehensive process in Canada... We had strong assurances at the end of that process thatthere is nothing against Mr. Arar" (Leeder, 2007). So far Arar remains on the US no-fly list, and Secretary of State Condoleezza Rice has refused any official apology.

Equally important, in 2006, the Canadian Supreme Court struck down the government's use of security certificates to hold individuals virtually without limit and to hold secret trials at which the accused are not able to see the evidence against them and are not represented by a lawyer (CBC News World, 2007). This legislation, loosely modelled on US practice, has further reinforced the Canadian view that anti-terrorists laws are intrusive. Here too, Canadian and

American public opinion diverge sharply. An international Queen's University survey, published in November 2006, found that only fifteen percent of Americans found the anti-terrorist laws to be highly intrusive, by comparison, fifty-seven percent of Canadians believed that these laws invaded their privacy (Deveau, 2007).

Risk Assessment: Why Top Experts Disagree

Finally, the third critical issue polarizing Canadian public opinion is that there is no shared understanding of how to benchmark risk assessment. For Canadian and US authorities to cooperate they must have shared methodologies, definitions, operations, goals and objectives. Wesley Wark, one of Canada's top security experts and a contributor to this volume, demonstrates that Canada and the US cannot construct a North American defence perimeter without fundamental agreement on the basic issue of risk assessment (Wark, this volume). Canada, Mexico, and the US have parallel, competing, and often contradictory practices. Constitutionally in the three jurisdictions, the rights of the accused are subject to very different legal regimes. For many, this is a healthy state of affairs and operates as a brake on easily exporting the US security doctrine to the rest of the continent. From a national sovereignty perspective, the existence of rival and competing notions of risk assessment create leverage for Canada and Mexico in facing the US "security is first" doctrine (Byers, 2005).

The fact that the US Supreme Court, the country's highest legal authority struck down key components of Bush's security package has had major repercussions on Canadians' thinking about continental security. It has reconfirmed the view of many Canadians that Canada should avoid having closer security ties with a doctrine that is, in key aspects, regarded as unconstitutional by American judges (US Centre for Constitutional Rights, 2007). The Bush

security doctrine has, in the last several years, faced some stunning policy reversals. The US Supreme Court ruled against Bush's special military tribunals at Guantanamo Bay where detainees were tried without proper legal counsel and due process. The spectre of show trials, where the outcome is known in advance of the trial, has triggered deep disquiet among many Americans who remember the show trials in Eastern Europe and other countries. The illegal use of wire taps on Americans has also registered with Canadians. The Homeland Security Agency and Office of Independent Counsel appear to have so much power and so little accountability that the US security doctrine appears out of control (Susskind, 2007; Woodward, 2006)). For Harper, the Conservative leader of Canada's minority government, and Felipe Calderón, Mexico's current president, the bitterly contested debate over Bush's imperial presidency poses a huge dilemma: it is very difficult to publicly tie their administrations too closely to a security doctrine that has gone seriously off the rails. Both leaders have only so much political capital to expend on defending a doctrine that is unpopular and a lightning rod for anti-Americanism.

Further, these events regarding the constitutionality of Bush's homeland security doctrine have special immediacy for Canadians because one of the last Western citizens still incarcerated at Guantanamo Bay is Omar Khadr a Canadian who has been held there since 2002 (Leeder, 2007). He was captured as a fifteen year old by US troops in Afghanistan during the US operations against the Taliban. Unlike Egyptian, Australian, Saudi Arabian, and British nationals who were held in Guantanamo but have been repatriated by their countries for trial, the Canadian government has done nothing to protect Khadr who was a minor when seized (Bowker and Kay, 2007). All the opposition political parties have demanded that Ottawa have Khadr returned to Canada for a fair trial; so far, the Harper government has opposed any intervention of this kind with US authorities. Close US allies, Britain, France, and Germany have all called for

Guantanamo's closing but not Canada. While many Canadians have misgivings about the Khadr family and its links to Osama Bin Laden, the consensus is that Omar Khadr deserves a fair trial where his rights as an accused are respected. It disturbs Canadians profoundly that the Harper government has done so little to protect one of its own citizens.

The US Courts Strike Back

While the intelligence communities in both Canada and Mexico cooperate with their American counterparts on an ad hoc basis, there is no appetite to institutionalize this cooperation. Indeed, Canadians and Mexicans have deep reservations about the legality of much of the US security doctrine for the very reasons identified earlier by Wark. For instance, the US prosecution of Muslim groups charged under the new legislation for allegedly financing terrorist organizations in the Middle East have ended in mistrials or not-guilty verdicts. In October 2007, in a flagship financing case, US prosecutors failed to convince a jury to convict any of the leaders from five charities or even to reach a verdict on any of the one hundred and ninety seven counts. This decision is a stunning set back for the government (Eaton, 2007). Legal experts have questioned the government tactic of freezing the assets of charities by using secret evidence which is unavailable to the charities and denying them the opportunity to cross-examine. According to David Cole, professor of constitutional law at Georgetown University, the government is really pushing beyond where the law allows them to go (Eaton, 2007).

Bush has gone far beyond his predecessors in promoting an expansive theory of presidential authority. The Bush-Cheney administration has used signing statements to challenge more congressional laws than all previous administrations; a practice which began with Ronald Reagan who evoked his right to defy Congressional authority. The highly intrusive role of the

Office of Legal Counsel has been at the forefront of the Bush presidency's expansion of powers. More than two hundred and thirty two laws have asserted Bush's right to override Congress when their interpretation of the Constitution conflicts with Bush's (Goldsmith, 2007). The American public is increasingly seized by this abuse of executive privilege in the White House which has permitted the detention of suspects without trial, eavesdropped on the conversations of US citizens without judicial warrant, disregarded the Geneva Convention, which former Attorney General Alberto Gonzales called "quaint," on torture, sanctioned waterboarding as a legitimate form of interrogation, and denied fundamental legal rights to detainees in Guantanamo Bay.

In the public's mind, the Bush administration's highly-skilled campaign of disinformation followed by the media's revelation about their controversial terrorist surveillance program have created much highly visible, bipartisan unease. Bush's plunge in popularity during his second mandate to the low 30s is in part driven by these revelations and the debate over American use of torture. Polarizing political personalities such as former Attorney General Gonzales, Vice President Dick Cheney, former Secretary of Defence Donald Rumsfeld, and Bush's refusal to explain clearly to the American public the absence of weapons of mass destruction in Iraq have cast a cloud over the US surveillance program and other key dimensions of Homeland Security (Greenberg, 2007).

In October 2007, in Paris, human rights groups filed a fifth war crimes complaint against Rumsfeld who, Bob Woodward, in his bestseller *State of Denial*, holds responsible for much of the design and policy implementation of Bush's six-year war on terror.⁴ Groups such as the International Federation of Free Human Rights (FIDH), the US Centre for Constitutional Rights (CCR), the European Centre for Constitutional and Human Rights (ECCHR), and the French

League of Human Rights (LHR) filed the complaint with Paris prosecutors before the Court of First Instance charging the former Secretary of Defence with ordering and authorizing torture. French courts have an obligation under the convention against torture to prosecute individuals present on French territory for acts of torture (www.fidh.org, accessed 26 October 2007). While this international coalition is unlikely to succeed for the time being, questions about the principle of impunity in the name of politics are not likely to go away as Henry Kissinger ruefully discovered. International human rights law has evolved; it acquired new legitimacy with the establishment, in 2002, of the International Criminal Court mandated to bring to trial those who commit crimes of genocide, war crimes, and crimes against humanity (Goldsmith, 2007).

Those on North America's political right and many in the security and intelligence community want to ratchet up the rhetoric and increase surveillance behind and at the border. They want tougher laws, a thick border, and a vigilant intelligence community working closely with US authorities. They are advocates of Washington's 'security is first' doctrine and do not see a conflict when security needs trump privacy rights, national regulatory standards, national sovereignty, and other fundamental public policy concerns. But experience demonstrates that security regulation and control, and the screening of millions of licit cross-border visitors are most effective when border control practices are domestically organized and implemented. Experience also teaches that parallel policies between the NAFTA partners are preferable to a single coordinated one from Washington since neither Canada nor Mexico have any standing or effective input into Washington's public policy making process. Bluntly put, Canada and Mexico are on separate policy trajectories and tight policy coordination is not in the cards.

The 2006 US Secure Fence Act and the Lou Dobbs Effect

For Mexico, border security has been a permanent reality defining much of Mexican political life for decades before 9/11 changed the security face of North America (Serrano, 2007). The big picture reality for Mexico is symbolized by the two thousand-mile long, twenty-foot high wall that congress has authorized with the Secure Fence Act of 2006 to prevent Mexican illegal immigration. Each year American border authorities remove close to one million Mexicans from the US, but these draconian measures have not stemmed the tide of poor Mexicans trekking northward for a better life (Drache, 2007).

It is estimated that three hundred thousand to five hundred thousand Mexicans enter the US illegally, but no one really knows that exact number. Mexican economists and sociologists see the vast exodus of poor campesinos as a tragic 'NAFTA effect'. American competitiveness has been an ecological human disaster for Mexico's poor farmers. American farmers are unequalled in their productivity and have captured an even larger share of the Mexican market for corn to make tortillas, a staple of the Mexican diet. The very success of NAFTA has driven more than two million Mexican peasants off their land (Rosalba, this volume). A never-ending army of displaced persons treks north to be hired as cheap labour for the service, construction and commercial industries of the American southwest and beyond (Gambrill, 2007).

With the collapse of the US housing and construction industry, the number of undocumented immigrants has decreased, and according to recent reports, the amount of money sent to Mexico by Mexicans working in the US has tapered off. The year-to-year growth has flattened (*The New York Times*, October 2007). Arizona has recently passed a law to sanction employers who hire illegal workers. If caught an employer can lose his/her licence to operate and be shut down. This may further discourage employers from hiring on the grey market, but it is too early to know whether the law will be effective. It faces opposition from employer's

organizations and human rights groups. In 1971, then California Governor Ronald Reagan enacted a law to sanction employers, but it was abandoned as ineffective and politically too costly (Calavita, 1982).

The new law could have a chilling affect on employers as well as immigrants. In the past, when faced with organized hostility from sections of the American public, like the anti-Irish antagonism at the end of the nineteenth century or the enmity against Mexican labourers in the 1920s, the fear factor gave them a strong incentive to stay put. Certainly the conditions for cheap labour have slackened recently, but the reasons why hundreds of thousands of Mexicans annually immigrate have not changed in the least. Sue Ann Goodman, the executive director of Humane Borders, put it this way: “Illegal immigrants aren’t avoiding the border but crossing more remote stretches of desert” (Holstege, 2007). The increased pressure at the border is forcing migrants to take more risks. In the same article, police report that two hundred and two undocumented immigrants died in Arizona deserts between October 1, 2006 and April 31, 2007. The Tucson-based Humane Borders puts the number of dead at two hundred and forty six immigrants up from one hundred and ninety nine deaths the previous year. Along the entire border, the US Border patrol reports that four hundred people died while entering the US from Mexico in 2007, a decrease from the worst year of four hundred and ninety four deaths in 2005. More than half the deaths occurred in Arizona, the busiest entry point for illegal migration into the US (Associated Press, 2007).

To understand the powerful presence of the US border in American life, it is sobering to watch the Lou Dobbs show on CNN. Dobbs is a popular host with one of the largest audiences on the network. Most Mexicans do not know who Lou Dobbs is, but he has ignited a growing anti-Mexican sentiment in the US that has killed any further interest in the US Congress for

deepening and broadening NAFTA. Dobbs and the US right believe that US sovereignty is being compromised by NAFTA and that illegal immigration is a threat to the American polity's self-image as a nation of hard working Americans. Mexicans are seen as illegal spongers who drain tax dollars but don't pay taxes. When *The Wall Street Journal* surveyed economists on whether illegal immigration proved to be a gain or loss to the US economy, forty-four out of forty-six said there was a net benefit. (*The Wall Street Journal*, 2006)

Despite a blizzard of counter arguments and mass demonstrations at the grass-roots level in support of immigration reform, this stereotype has incited a vitriol of racism that has inflamed the conservative blogosphere at the grass roots level.⁵ Dobbs has become a lightning rod leading a nightly crusade against Mexicans and illegal immigration. His venting against illegal Mexican workers, who are likened to an "army of invaders...threatening the health of many Americans," has demonized NAFTA in the public mind. When New York governor Eliot Spitzer proposed to allow illegal immigrants to apply for driver's licences, Dobb's program was bombarded with angry emails from around the country. One such message read, "we will derail the illegal gravy train from within." Guests and interviewees are typically opposed to any legislative change that would make it easier for illegal immigrants to become legal residents in the US (Confessore, 2007; Archibold, 2007).

The Fallout from Bush's 2007 Immigration Bill

The failure of the US Congress to pass Bush's immigration reform bill in June 2007 represents part of the 'new normality' on Capitol Hill that will likely last until Bush's successor is chosen. The Bush immigration bill included fines, removals, work permits, and an extremely complex process that would allow some Mexicans working in the US without papers to eventually

become citizens. Guest workers would have to return home for twelve months every two years. There was no provision for any kind of amnesty. The bill's promise of legalization was so restrictive that only a tiny percentage of families would have qualified. There was nothing in the Senate version that would give Mexican immigrants permanent, family-based status; too many provisions were anti-family and anti-worker. At its core, the bill provided for a temporary employment system, but not full legalization for the millions of undocumented Mexicans. Many immigrant groups as well as civil rights advocates believed that Bush's compromise, which penalized hundreds of thousands of Mexicans and would lead to increased enforcement and raids, deserved its fate when the compromise bill failed to pass (Rutenberg and Hulse, 2007). Immigration has become so polarized in the US that it now dominates the 2007 presidential primaries along with gay rights and abortion. Few Americans see NAFTA as representing the beginning of a new American-Mexican partnership.

What is the most important issue facing the US?

Q: Which of these issues do you think should be a priority for the federal government to address?

The war in Iraq	46%
Health care	34
Jobs and economy	27
Illegal immigration	24
Terrorism	23

Note: Figures are combined responses of first and second priorities, based on telephone poll of 1,509 adults conducted Nov. 1-5; margin of error +/- 2.5 percentage points.

The Wall Street Journal, 16 November 2007

Equally disturbing is the view held by a significant number of American senators that they are not obliged to enforce key NAFTA provisions with respect to Mexico. Under NAFTA, Mexican truckers were guaranteed access to US highways, but the Republican Senator of Nebraska, Chuck Hagel, told an American audience on Lou Dobbs on 12 September 2007 that Mexican trucks were unsafe, its drivers a security risk, and that he did not care if the US Senate broke the law by ignoring its legal obligations under NAFTA. What matters to him, he declared, are jobs for millions of Americans and protecting US national interests. Evidently, the US Senate and Congress do not regard the southern border with Mexico to be a nineteenth-century anachronism. They understand fully the importance of borders as a strategic instrument of US foreign policy. The US continues to play hard ball with Mexico, and, so far, Mexico, like Canada, has had to bite its tongue publicly on this and other trade disputes. Mexico does not have much leverage because leverage is a matter of political will not entitlement (Vega, 2005). So even if Mexico is entitled under the legal rules of NAFTA, it does not have the leverage to deal with congressional disregard of international obligations. In the beltway, is there anyone who will champion a revitalized North American community? Are there any supporters in the inner circle of power? Who is waiting in the wings to lead the charge?

The Canada-Mexico-US Strategic Partnership

In his recently published, *Memoirs 1939-1993*, Brian Mulroney, Canada's former Prime Minister and champion of the 1984 Canada-US free trade agreement, recounts how little enthusiasm there was in the higher echelons of Ronald Reagan's administration for the dramatic step of signing the Canadian-US Free Trade Agreement, the big idea of Canadian conservatives at that time, which would open the road to NAFTA five years later. Up to the very end of the two years of

difficult negotiations, Mulroney believed that the Canada-US free trade agreement would fail. In his account, he says that no one in Washington really cared. North American integration had no champion in the inner circles of the George H.W. Bush administration and US negotiators operated in political silos (Mulroney, 2007).

In the US, Reagan had to ask the Senate Finance Committee for a green light before beginning negotiations. The vote was tied twelve to twelve; under the committee's rules, this gave the Reagan administration the right to proceed. As late as 2 October 1984, in the final hours before the legal deadline to conclude the Agreement, Mulroney told his cabinet that without a number of small concessions on the binding dispute resolution mechanism, he had instructed Canada's chief negotiator, Simon Reisman to walk away from the deal. Mulroney muses that it was easier for the US to reach an agreement with its Cold War enemy, the Soviet Union, on limiting the number of strategic missiles than to negotiate free trade with its 'best friend and eternal neighbour.' Puzzled by his own government's lack of traction, he argues that no one in the Reagan administration seemed to care very much if negotiations succeeded. It was a huge risk for Mulroney's newly-minted government to propose free trade with Canada's powerful neighbour, and the conservatives were pummelled daily in parliament by the Opposition. None of the high drama registered on Reagan's radar screen. Most curiously Reagan's inner circle did not regard Canada as a strategic partner, a status that Britain enjoyed. The evidence here contradicts the idea that Canada has a special relationship forged by geography, social values, and language. The first giant step towards North American free trade was largely a non-event hardly registering in the inner circles of the White House and Congress (Mulroney, 2007).

Mulroney's autobiography should be read sceptically, as he would like the reader to believe that the only reason a free trade debacle was avoided was due to his considerable

diplomatic skills and wire-pulling with Bush Sr. and his carefully cultivated personal relationship with Reagan. Scholars and the public must interrogate the absence of a strong geopolitical imperative at work. Scholars remind us that the negotiations and final agreement were in fact driven by the more powerful logic of self-interest and opportunism on both sides. A big picture story? The historical record does not support such a grand assumption.

On the other hand, the NAFTA deal with Mexico involved a ferocious fight in the US Senate and Congress led in part by billionaire Ross Perot, an enormously talented and savvy right-wing populist who warned against the sucking sound of hundreds of thousands of US jobs being lost to the maquiladora industries. He was wrong about his most publicized claim but right about the negative impact of NAFTA depressing US working-class salaries for those who did not lose their jobs to outsourcing. Fast-forward to 2007, the same arguments are still much in evidence. Economists and experts have failed to document, to anyone's satisfaction, the number of jobs lost or gained because of, or despite, belonging to the exclusive NAFTA club (see the divergent views of Drache and Vega this volume).

Canadians continue to be obsessed with how things work in government and how much policy autonomy they have with the US. In their 2007 book, *Unexpected War, Canada in Kandahar*, Janice Gross Stein and Eugene Lang take to task the senior officials who were feeding politicians their best policy counsel about Canada's combat role in Afghanistan. Like Mulroney, who was obsessed with the Americans, officials in the Prime Minister's Office convinced themselves that if Canada turned down the Bush administration on Afghanistan "catastrophic" consequences would ensue. None of this doom-laden mindset proved correct. The Americans hardly remembered that Canada had not sent troops to Iraq and had turned down participation in Bush's ballistic missile defence program. As Lang writes, "We grossly overstate

our importance in Washington. They really don't care that much about us. But the advice our politicians get is that they care deeply. It's self-absorbed. It's not a realistic view of Canada's role in the world and our relationship with the US" (Wente, 2007).

The Geo-Political Lessons Learned

The lesson learned is that the North American community ideal is a very fragile construction. Neither Canada nor Mexico has significant leverage in the corridors of power in Washington. Both countries remain neighbours rather than partners in the US public policy world. It is often lamented by policy elites in both countries that they never receive the "face time" they merit. It is surely a bitter pill for the Mexican political class to swallow that Mexico's influence with Washington in key policy areas is markedly less today than it was when Vicente Fox became president in 2000. It is also sobering to note that Brazil has overtaken Mexico as the most influential geopolitical country in Latin America.

In this volume, Ed Dosman emphasizes that Mexico made the wrong choice with NAFTA. By focusing so exclusively on gaining access to the US market, Mexico's commercial and foreign policy is dangerously unbalanced with respect to the rest of Latin American and the EU. No one could have predicted that Mexican industry would be mauled by China's rise to pre-eminence in the global economy. Equally, Mexicans can only be ambivalent at best about exporting hundreds of thousands of both skilled and unskilled citizens to seek employment opportunities abroad. The out migration of Mexicans has to be regarded as a human stain on Mexico's present and future. Many scholars, such as Dani Rodrik, have underlined the fact that Mexico's growth rate post-NAFTA is actually lower in 2006 than before the Mexican political class signed on to the NAFTA train (Rodrik, 2006). While it is unlikely that Mexico can easily

sever its structural relationship of enormous complexity and inequality, it can be nuanced, downsized and redirected. It is only a matter of time before Mexico rediscovers a need for a very different kind of developmental trajectory.

The planned exodus of social and human capital comes at a huge cost to Mexico's self-esteem and a more robust economic performance. There is now an emerging consensus that Mexico's paltry three percent annual GDP growth rate needs to be doubled or tripled if it expects to support a vigorous attack on poverty eradication and give the forty percent of the population now living at or below the poverty line new life opportunities (Drache and Froese, 2005). Despite more access to US markets than any other southern economy, Mexico's performance can only be described as sub-standard. It has yet to address the many difficult, urgent domestic priorities. Belonging to NAFTA has become a crutch for a badly performing economy, not a solution to moving forward. The singular focus on the American market with NAFTA has created significant structural rigidities and with Mexico's benefits from NAFTA winding down, the pressures to address domestic problems can only increase for Calderón.

The three NAFTA partners are facing very different futures from their relations with the global south and the seismic changes unleashed by China and India. Mexico has lost hundreds of thousands of jobs to China as production has shifted out of the maquiladoras to cheap assembly zones in China (López Villefañe, this volume). With the Canadian dollar at a record thirty-year high at (US) \$1.05, Ontario manufacturing has been clobbered, losing over 300,000 manufacturing jobs in the last two years. Strategically, China has the full attention of Washington and has replaced Canada as the US's largest trading partner. This also will have immediate effects for both NAFTA partners (Arthurs, 2000). In the US, new evidence links the negative impact of global free trade to the policy-induced inequality experienced by a large

proportion of the population whose jobs cannot be off-shored. Many economists estimate that US wages have persistently fallen over the NAFTA decade, depressed by highly competitive and fragmented union-free labour market practices (Bivens, 2007).

The transformation of North America and the new public policy space opened up will have unquestionably many spread effects. It is modifying and altering the power dynamics that have been implicit in the grand neo-liberal commercial vision of North America. North American is very much a continent in flux and the post-Bush North America will look very different once again.

Shrinking Governments: Competing National Agendas

North American state-market relations are more anchored than ever in the competing and conflicting big picture realities of each of the NAFTA partners. Quite independently, the Bush and Harper administrations have been busy shrinking their government tax base by cutting tax rates for the wealthy and corporations. Paul Krugman and many others have documented the Bush's administrations corporate largesse to the top one percent of American income earners. The top two percent of Americans own eighteen percent of US wealth (check nos). This concentration of wealth is unprecedented creating more millionaires and billionaires than at any other time. According to Forbes, thirty-nine US billionaires represent 4.5% of the US GDP. (Wolf, 2007). In 2007, the Harper government reduced the GST, one of the government's largest sources of revenue; corporate income tax is scheduled to fall from twenty-one percent to fifteen percent by 2010 and will be the lowest in the G-7 (Chase, 2007). What is significant is that in taking these dramatic initiatives, both governments have sent a clear message that the governance capacity of future administrations will be much reduced. They will have fewer

resources to invest in new broad-based social programs like childcare, a strengthened public commitment to medicare, and innovative measures to address global warming. These constraints are not across the board and areas such as defence and security expenditures will be largely exempt.

Strikingly, the Calderón presidency has passed a very modest tax reform bill to hike taxes to pay for badly needed social reforms in health and education. It is unclear to many observers whether the funds will find their way to these critically important areas of public life. Taxation revenue is, at all times, critical for promoting social solidarity and investing in human capital, although tax reform is constantly a wedge issue for politicians and voters.

Compared to a decade ago, North America is entering a period of uncertainty and volatility. In the US, the growing backlash against the Bush administration is likely to result in many more Democrats in the Senate and Congress. The theory of a massive electoral change in US voting patterns with Democrats and Republicans crossing party lines will be tested in the next period. But intuitively, the US is heading towards a major course correction. It has become isolated from its allies and global public opinion, and this is worrisome to the US political class. The next president, regardless of party affiliation, will have to mend fences. New policy directions are needed. A harbinger of things to come is that Rudolph Giuliani and John McCain, the Republican front runners, have distanced themselves from key elements of the Bush's foreign policy including, torture, water-boarding, rendition, and the war in Iraq. This is by no means repudiation, but the nuance is vital in the run up to the presidential race.

In Canada, although Harper's minority government was incapable of reversing its popularity decline in public opinion polls between 2006 and 2007, in the autumn of 2007, it effectively overtook the much weakened Liberal party led by Stéphane Dion. Significantly

though, the Harper government has no seats in the metropolitan centres of Toronto, Montreal, Winnipeg and Vancouver where sixty percent of Canadians reside. Canadian public opinion remains distrustful of the neoconservative administration, and the minority government operates as a brake on Harper's exercise of power. While the Liberals have been disorganized and disoriented under Dion's leadership, they along with the Bloc Québécois and NDP represent the values and aspirations of two thirds of Canadian voters.

In Mexico, the bitter presidential election in 2006 has left a legacy of suspicion and partisanship. One of the unintended consequences of the fear of the Chavez effect, named for Venezuela's controversial, left-wing president Hugo Chávez, was to give Calderón his victory over Andrés Manuel López Obrador. The twin issues of immigration and development now drive Mexico's electoral cycle. Mexico's precipitous decline in terms of American politics requires the political class to be more innovative and strategic. The fact that Cristina Fernández de Kirchner was elected the first woman president of Argentina in late October 2007 underscores for many Mexicans that Latin America is again on the move, and social reform is on the agenda. She is a dynamic advocate of democratic reform, and Argentina has an economy that has made a remarkable recovery since her husband, former president Nestor Kirchner, rejected IMF conditions to renegotiate its catastrophic debt in 2003. In explicitly citing the "inadmissible privileges" IMF-sponsored structural adjustment programs confirmed on the private sector, he reopened privatized utility contracts (Farmelo and Cibils, 2003). Reforms like these cast neo-liberal economic strategies in a very different light. Simplistic templates that empowered private actors at the expense of the majority have lost much of their allure in the public mind throughout Latin America. Observant Mexicans can see how out of step Mexico is with Latin America's rapidly changing world.

What can be said with certainty is that the political electoral cycle in all three countries is responding to a new constellation of forces after a decade of commercial-driven integration. North America has become ungovernable as a coherent entity without a workable consensus about goals and outcomes. This hypothesis can be tested against the fast-moving set of domestic pressures and competing forces between the NAFTA partners. With so much pressure from below and above, where does this leave the Canada-Mexico relationship?

The Canada-Mexico Partnership?

Economically, Canada and Mexico are very modest trading partners. Over the past ten-year period, Canadian exports to Mexico grew from .42 percent to .78 percent, hardly a blistering pace. Mexican exports to Canada are equally modest hovering around the two percent mark. What is undeniable is that, however disappointing the Canada-Mexico bilateral economic relationship is, on the larger screen the two countries register on each others diplomatic radar with an unprecedented degree of importance. Hundreds of thousands of Canadian tourists vacation in Mexico. More significantly, forty thousand Mexican students come to Canada to study. Canadian and Mexican NGOs regularly meet to discuss the “Canada-Mexico relationship,” and Canadian business organization like Council of Chief Executives frequently coordinate public policy interventions with their Mexican counterparts (Drache, 2007).

Still, the Harper government has shifted policy priorities and made building Canada’s relationship with Brazil its number one foreign policy objective in Latin American. There have been missed opportunities, particularly in response to human rights violations in Latin America as well as on the environment. The high point in the Canada-Mexico relationship occurred at the UN in 2003 when both countries worked closely together to bridge the divisions between the

Bush administration's unilateral action to invade Iraq and the UN system of multilateralism. Typically perhaps, this singular occasion for Canada and Mexico to cooperate closely came and went without establishing any further basis for diplomatic cooperation. Many observers, such as Andrew Cooper who has contributed to this volume, believe that the Canada-Mexico strategic connection has not matured sufficiently to affect a deeper and overdue shift from a relationship of convenience to one of perceived commitment.

If there is a final lesson to be learned, it is that despite the billions of dollars in trade and energy flows, our instinctive North American community is only partially anchored in security and commerce. The need for the tri-management of North American public policy did not begin with the signing of NAFTA in 1994 (Cameron and Tomlin, 2000). Citizenship rights, state regulation, and security co-operation lie outside its complex mandate. In these critical areas inter-state co-operation is essential and unavoidable. It is also a curious omission of the narrow focus on economic integration that the strategic institution of the border and the government agencies responsible for setting the key policy goals for the cross-border management of the continent has been all but ignored

Canada and Mexico are two very different societies attempting to come to terms with the cumulative and contradictory effects of these micro and macro changes. Public opinion research and new studies on social values call for a strengthening of popular sovereignty, not its dilution (Adams, 2005). In the latest of a series of public opinion polls commissioned by Decima, one of Canada's largest polling firms, seventy percent of Canadians said that they want government to do more to limit foreign takeovers. Even among conservative respondents, sixty-six percent called on the government to be proactive. Significantly, seventy-one percent regarded a laissez-faire approach to the free movement of capital a bad thing (Deveau, 2007).

The North American idea has been part of the policy arsenal of Washington, Mexico City, and Ottawa ever since Frederick Jackson Turner wrote his celebrated American frontier thesis at the turn of the twentieth century (Drache, 2004). System and structure link Canada and Mexico irreversibly to the North American economy, but there are other policy competitors to the security and commerce view of North America. The most powerful and evocative is to envision North America through the lens of diversity and multiculturalism. Some years ago the great Mexican author and poet, Octavio Paz correctly characterized the North American experience as a labyrinth of solitudes. He was referring to the experience of the Mexican migrant living in the barrios of Los Angeles (Paz, 1985). While for some the labyrinth may be negative, in fact it speaks to the multi-level complexity of North America as a prototypical diverse social space encompassing the linguistic and cultural diversity of three distinct societies. The three countries have a need to address what they share in common – from human security to development to human rights to the environment. North American diversity is our common destiny and we should accept the need to be “friends at a distance.” Thoreau’s gentle words represent the best way for national communities to co-exist and thrive.

Structure of Volume

The book is organized into seven sections. Daniel Drache explores the big picture reality of the asymmetrical benefits of a decade of North American integration. He challenges the idea that there will be a normalization of US realities with either NAFTA partners in a post-Bush world. Both Mexico and Canada have to come to terms with the fact that the competitive edge they believed would automatically result from intense continental integration has fallen well short of expectations. In Canada more job losses are on the way with the Canadian dollar at parity with

the US greenback. Mexico's productivity has lagged badly and its GDP growth is the most disappointing in Latin America. In fact, Mexico experienced higher growth rates prior to signing NAFTA than in the past decade. With so much divergence between the three economies in view, the role of national authority in economic strategizing cannot be minimized. In the post-Bush world, US congress is re-centering on US strategic needs and priorities. Mexico and Canada are being forced down the same policy path. Drache concludes that the NAFTA era is over, and deepening the North American partnership is not in the cards for the foreseeable future.

Gustavo Vega-Canova analyzes a second big picture reality that has changed the economic and political landscape of North America, namely the convergence between economic and security relations with the US. He is optimistic that NAFTA has provided a platform to liberalize further the trade investment between the three NAFTA partners. Significantly, he points to the fact that Mexican state authorities have become aware of the potential benefits that exports can bring to their own states. Mexico has been the recipient of more than forty billion dollars of foreign direct investment since the early 1990s. He notes that job growth in Mexico under NAFTA has been over one million in jobs related directly or indirectly to export activity.

Significantly, Mexican workers have not seen a real increase in wages in over a decade. The dramatic drop in the work force engaged in agriculture has been the single most important change in Mexican domestic policy. Mexican agriculture has dropped from twenty-eight percent to seventeen percent, and hundreds of thousands of Mexicans have left the country to seek work in the US illegally. Mexico's economy must grow at a level of six to seven percent to prevent further out pouring of Mexicans to the US. Vega makes a powerful case that Mexico must address the forty percent of their populations that live in poverty. His chapter is particularly important in detailing Mexico's challenges for the next decade; removing external barriers;

developing smart border migration agreements with the US and addressing mutual security concerns on the northern and southern border. With strong leadership, North America can accommodate the new political realities of the continent.

In Alex Neve's chapter on rights at the borders, the new defining reality for North America is the need to come to terms with immigration flows, human rights and political refugees in the Canada-Mexico relationship. While for many the border is only a commercial gate, Neve makes the compelling case that borders are a line in the sand for human rights and that human rights violations have been on the increase over the past decade. The number of Mexicans seeking asylum has grown markedly since 9/11 and immigration into Canada has become more difficult. During border crossings, migrants face many dangers including extortion, rape, threats, and other violence from "coyotes" and private militia groups.

The Security and Prosperity Partnership adopted in March 2005 and strengthened March 2006 only spoke of legitimate migration but was silent on the movement of people, human rights and migration. Neve's chapter is particularly important because it reminds us that there are other parallel regional initiatives such as the Puebla Process that address the precarious situation of regional migrants. It includes eight other countries from the region and offers an alternative to a narrowly-defined security-related focus on refugees. One of the new realities facing North America is the need for extended human rights cooperation and the need for better protections and stronger laws to protect the basic human rights of migrants. It is one of the areas in which Canada and Mexico could cooperate more closely.

Ana Covarrubias has written a far-reaching analysis on the role of human rights in Mexican foreign policy. Mexico's foreign policy like that of many other countries supported the principle of non-intervention while at the same time promoted the protection of human rights. It

is only belatedly that the Mexican government recognized that human rights were a legitimate foreign policy issue. Covarrubias notes that under Carlos Salinas' presidential term, the government did not prioritize human rights issues being more focused on aggressive commercial diplomacy. Under Vicente Fox's foreign minister, Jorge Castañeda, human rights were given a key place in Mexico's foreign policy.

Castañeda was particularly interested in using human rights instruments to achieve a new political culture. This has never been easy for Mexico as its own human rights record has been subject to much criticism particularly with respect to the treatment of illegal immigrants as well as earlier human rights violations against its own citizens. Still there has been considerable progress made with respect to the protection of human rights in Mexico; and the rights of immigrants and others remains a top priority for the new government.

The Bush revolution in foreign policy has had a major impact on Canada and Mexico. Stephen Clarkson details the complex nature of Canada's response to what he calls the 'Bush foreign policy counter-revolution.' The central dilemma is that the US war on terrorism has driven a wedge between the Canadian and American political class while at the same time it has accelerated cooperation between Canadian and American military personnel. Jean Chrétien's refusal to send Canadian forces to Iraq represented an iconic moment for Canadian foreign policy. After much dithering, Chrétien correctly read the mind of the Canadian electorate and refused Washington's request for Canadian forces without a UN resolution in support of the Iraq invasion. It is important to recall that Canada was in good company since France, Germany and Mexico as well as many other countries opposed Bush's unilateral declaration of war. It is also significant that Canada and Mexico worked closely together at the UN in an attempt to find a "third way."

While many experts warned there would be serious consequences for Canada's refusal to support the US in Iraq, there were none. In fact, many inside the department of External Affairs and the department of Defence have seriously underestimated Canada's scope for autonomous action on the Iraq war as well as other policy issues. Clarkson's chapter underscores the depth of the conflict in the relationship between the two capitals and suggests that the strain on diplomatic relations with Washington represents a new level of maturity in which allies can and will differ.

Jorge Chabat's chapter serves as a useful counterpoint to Clarkson's. Chabat provides a detailed account of the Bush foreign policy revolution with its clear preference for unilateral action and willingness to use pre-emptive military force to produce "needed regime change in rogue states." Chabat describes US foreign policy under Bush as democratic imperialism in which Washington believes that it has the right to change existing regimes when it is in its interest to do so. The rejection of UN multilateralism has left the US looking neither strong nor benign in the eyes of world opinion. The undermining of international law and the abuse of prisoners in Iraq has radically changed public perception of US foreign policy. For Mexico there have been many direct consequences of the September 11 attacks. Washington now regards Mexico border security as a very large problem to erecting a North American security perimeter. Chabat's chapter contains an excellent overview of Mexico-US relations post-9/11. Among other things, it explains the increase in tensions between the Bush administration and its disdain for international organizations, such as the UN, and Mexico's strong support for an international system of multilateralism. Chabat, like Clarkson, concludes that Mexico has a large margin for manoeuvring in foreign policy despite the high level of interdependence between the two countries.

The single most important issue changing the political landscape of North America is US homeland security. The biggest picture reality in the post-9/11 world is the doctrine of the US security imperative. Wesley Wark analyzes Canadian border security policy since 9/11 and Jordi Díez shines fresh light on Mexico's place in the North American security perimeter. It is important to note that both Canada and Mexico have stepped up to the plate and dramatically overhauled their cross-border infrastructure, policing, intelligence and passport issuance. If, in the past, trade was the tie that linked the three countries together, in the new century security trumps all other aspects of domestic policy. Simply put, security is first; but these three words are interpreted very differently by Canada and Mexico.

The core reason for this difference, Wark suggests, is that there is no commonly shared definition of what constitutes a security risk. Without an agreed upon definition, it is unlikely that Canada and Mexico can meet the US demand to work in close partnership on security. In retrospect, it can be seen that it was naïve on the part of many trade experts to think that there could ever be a single common policy on border security. Canadian policy lumped together a wide range of threats from terrorism, to national disasters, organized crime, and health pandemics. In this "all hazards" approach, Canada did not prioritize terrorism.

In his chapter, Díez concurs that the North American security partnership is flawed in fundamental ways because it does not take into account the diversity of the national security documents of the three amigo partners. Díez's chapter is very important for assimilating the primary message that while there has been some institutionalization of security cooperation, Mexico's nationalist public opinion is against any formal engagement with the US that would pose a threat to the country's sovereignty. Significantly, the need for underlining the importance

of Mexico's sovereignty did not prevent the Fox government from cooperating with Washington on a bilateral level.

But here too, Mexico's level of participation has been politicized by the refusal of the US congress to establish a new migratory system for the ten to twenty million Mexican's without legal status. Díez is quite right to underline the fact that NAFTA and close economic integration was the agenda of the 1990s. Economic development, drug trafficking, personal security and immigration define the new priorities of Mexican citizens. As US immigration policy has become barefacedly unilateral, Mexico's relationship with Washington has become more conflictual and complex. It is likely that the idea of North America will evolve on the bilateral axis with little prospect for trilateral security structures.

One of the most difficult areas for North American relations has to do with Canada's and Mexico's oil and gas reserves. The NAFTA neighbours supply the US with almost thirty percent of its energy needs. For more than three decades, the big idea of negotiating a continental energy partnership has captured the interest and attention of all US administrations and much of the North American oil and gas industry. Isidro Morales' chapter provides an authoritative account of the pros and cons standing in the way of a full-blown North American strategic partnership. Ontario, Quebec, and BC Hydro are all publicly-owned state enterprises in the electrical sector. In Mexico, PEMEX and CFE are vital state monopolies that play a critical role in keeping Mexico's energy prices below international levels.

Significantly, PEMEX is excluded from the NAFTA purview, and this important exception has angered US oil interests. Despite their efforts, neither former presidents Ernesto Zedillo in 1999 nor Fox were successful in passing major reforms to privatize CFE or PEMEX. Readers would do well to absorb the analysis contained in Morales chapter on the growing

divergence between the future of Mexico's energy production and US security concerns. Despite predictions that homeland security would lead to a slam-dunk deal and the creation of a North American energy market, this pro-business, big vision reality is very far down on the horizon. There is no likelihood that Mexico's congress will pass the needed constitutional reforms to privatize the energy sector. By way of conclusion, Morales proposes some interesting ideas with respect to the reform of Mexico's energy industry.

In her chapter, Rosalba Icaza Garza addresses the future of what she calls, "neoliberal regionalism," a policy framework composed of NAFTA and an economic partnership between the European Union and Mexico. Few would argue with the fact that the region of North America was transformed in the 1990s through the reorganization of production and changes in migratory and capital flows. The government of Carlos Salinas, 1988 -1994, was a key promoter of the open regionalism that would transform Mexican national markets into fully integrated regional economies closely integrated with US supply management chains.

In theory, open regionalism was designed to strengthen domestic production capacity and to become successful export platforms for the auto, steel, textile and agricultural industries. When NAFTA was signed, there were more than one million Mexicans employed in the maquiladoras; a decade later, the China factor has challenged Mexico's access to the US market. Mexico has lost more than 300,000 jobs in these export-processing zones. Equally disappointing is the fact that economic growth in Mexico was actually lower in 2005 than it was the decade earlier when NAFTA was signed. Civil society groups and social movements have grown disillusioned with neo-liberal regionalism and have sought a "reform of the reforms."

Many economists have also supported the view that narrowly-based market policies have failed to generate more and better jobs, the reduction of migrants to the US, and the development

of a modern agricultural sector. The latter point is particularly crucial because, in the past decade, rural Mexico has lost close to 1.5 million jobs due to the flow of cheap subsidized farm products in the US. Hundreds of thousands of displaced agricultural workers have joined the mass movement of illegal migrants to the US. Mexico is very far from its goal of poverty eradication let alone from a significant reduction of the forty percent of Mexicans who live below the poverty line. For Mexico, the European Union agreement is an important counterweight to NAFTA, but so far Mexico has only enjoyed modest success in strengthening its relationship with the EU.

The emergence of China in the global economy has had dramatic effects on Mexico's place in North America. Conventional wisdom suggested that NAFTA would secure Mexico's place in the North American economy and that its privileged relationship with the US would transform Mexico's industries into world class competitors. The expectation was that hundreds of thousands of jobs would be created and millions of Mexicans living in poverty would escape a life of drudgery and marginalization.

Victor López Villafañe's chapter is an extremely important corrective and exploration of why Mexico, and by implication, Canada, can no longer rely on NAFTA as their anchor point in an increasingly turbulent global economy. Critics in the past pointed out that the asymmetrical benefits from NAFTA with respect to job loss and the destruction of the Mexican agricultural sector would be offset by the growth in Mexico's auto and textiles industries and exports to the US. The picture has become increasingly complicated because China, emblematic of the global south, is 'stealing' Mexican jobs and industrial capacity as US producers shift production out of Mexico to China. For some theorists, Mexico took a wrong turn by putting all its eggs in the NAFTA basket. While this may be true, Mexico has to move forward and rethink its

developmental strategy faced with not only China as a dynamo but also Brazil and India. López Villafañe's chapter is essential reading for anyone who wants to develop a detailed understanding of the new challenges facing Mexico as it attempts to reorient itself to compelling changes in the world order.

Ed Dosman's chapter provides an important set of metrics with which to contextualize the profound domestic and global challenges faced by Mexico and Brazil. By far, the largest Latin American countries in population and economies, they have followed divergent trajectories and strategies. Dosman sets out to explain why Mexico is trapped in low growth cycles while Brazil's industrial strategy has made it one of the "super powers" of the global south. Brazil is one of the success stories of the decade with its powerful industrial competitiveness in the air craft, petrochemicals, agriculture, and auto industries. Dosman demonstrates in a close analysis of Brazil's export strategy that it has developed a balanced approach with more than twenty percent of exports going to the US, twenty percent or better going to the EU and another twenty-five percent going to its MERCOSUL partners. It has also developed important trade links with China. Dosman notes that, along with China, Brazil has one of the lowest brain drains among developed countries.

After years of relative stagnation, Brazil has achieved a very stable macro-economic environment. As we have already discussed, Mexico's strategy has been almost exclusively centered on the US market with none of the diversity and balancing that is evident in Brazil's regional-global strategy. Dosman makes the very important point that Mexico has abandoned its self image as a bridging power in the Western hemisphere while Brazil has pursued the bridging role for itself globally and in Latin America. Indeed it has become the leader of the global south in Latin America at the expense of Mexico's influence and authority. President Lula campaigned

and was elected in Brazil in 2002 with a broad neo-liberal critique of the Washington Consensus goals and objectives. In Mexico, Calderón, the narrowly victorious PAN candidate in 2006, has chosen to deepen Mexico's dependence on NAFTA rather than anything else. In conclusion, Dosman is pessimistic about the possibility for a rapprochement between the two Latin American giants.

Andrew Cooper examines the future of Canada-Mexico relations in a particularly challenging chapter. Many Mexicans and Canadians are of the view that the two like-minded countries can find ways to balance their relationship with the US by strengthening their ties to each other. The reality is that the Canada-Mexico relationship remains modest and is in need of deepening and strengthening. Many experts believed that NAFTA would automatically lead to raising Canada's and Mexico's profiles with each other, but so far this is only a pious wish. Cooper is quite insightful when he argues that self-interested convenience does not always create a more fundamental set of understandings such as could lead the way to a significant political commitment on the part of Ottawa or Mexico City. Certainly there have been plenty of missed opportunities as Cooper recounts. Both the 2001 Quebec Summit and the G20 Finance Ministers meeting in 2003 in Cancún could have been the catalysts for setting in motion a significant realignment between the two countries. Cooper's idea of a value-based foreign policy combined with a strong commitment to multilateralism and international human rights provides an alternative framework for the Mexican and Canadian political class. Cooper is particularly sceptical that a smart borders policy and further militarization of the border will translate into a coincidence of interests. For many congressmen and senators, the southern border is broken, and Mexican illegal immigration now poses a major threat to US security. Although Cooper speaks

of the need to balance ‘the powerful one,’ Canada and Mexico are subject to very different sets of competing pressures.

If anything, the Canada-Mexico relationship suffers from understatement and not infrequent neglect at the level of geopolitical intersection. Cooper is quite right to draw our attention to the absence of any big bang in design. Much more could be done by the way of a course correction. In conclusion, Cooper is sceptical that in the short term there will be a different mental map with a trajectory that would transform a relationship of convenience into one of commitment. Clearly Latin America is on the move, and the China factor cannot be underestimated as Canada and Mexico enter a long transition period of uncertainty and re-examination.

In his chapter, Duncan Wood presents a realistic but positive view of the future of Canada-Mexico relations. Many contributors have pointed out that the vast distance of geography separating Canada and Mexico has also supported a number of competing political and economic divisions. With lucidity, Wood presents an overview of the difficulties facing North American integration. Key among these is that significant trilateral progress has stalled due to the inability to overcome the disparities in levels of economic development between the three countries.

At the present point in time, the Mexican economy is trapped between China’s rise to prominence as a global power and the failure to stem the massive and officially sanctioned illegal immigration flow to the US. It is important to examine in detail the Fox government’s record on immigration and its ill fit with the newly minted security-driven focus on homeland security and tight, secure borders. Wood very effectively analyzes the growing conflict between the national interests of each of the NAFTA partners and the growing anti-Bush nationalism

much in evidence in Mexico and Canada. Wood underscores how important it is in the public's mind that Bush and the US are increasingly seen as representatives of global capitalism and globalization. The intensity of the current wave of anti-*Yanquismo* in Mexico is a phenomenon which was not present in the early years of the Fox and Bush administrations. Periodic outbursts of anti-Mexican xenophobia have sharply constrained the Mexican political class. On the other hand, the Canadian government and the business community are currently ambiguous about deepening the Canada-Mexico partnership. Still, Canada and Mexico have reached a level of cultural and societal understanding that offers much to build on should the elites in each country decide to get on each other's radar screens. Wood explores education, health, security, infrastructure and energy as areas of future high-level cooperation.

In the final chapter, Carlos Waisman examines the dynamics between the state and society in Mexico and its process of democratization in the past two decades. Throughout Latin America there is now a vigorous, well-organized and articulate civil society although the exact nature of civic engagement remains imprecise and highly fluid. Alexis de Tocqueville is one of the fundamental thinkers with respect to citizen group activities and the core ideas behind interest, promotion and engagement that is voluntary and self organizing. These dense networks of secondary associations increasingly contribute to social collaboration that is autonomous from the state and bound by a legal order and set of common assumption about the rules. In an information age, there is nothing surprising in the newly empowered citizen/civil society actor acquiring a voice and presence throughout Latin American society. Waisman explores the increasing contention between a growing individualism and a renewed interest in equality rather than liberty. At one time it was thought that the "art of association would improve at the same speed as equal conditions spread." In fact, UNDP studies on the development of inequality

suggest the reverse to be true. Inequality has grown as civil society has become stronger and more autonomous from the state in many countries. Waisman's chapter provides an analytically powerful way to examine the growing importance of civil society to the deepening of democracy.

In this important chapter, he examines the growing social and economic dualism in most Latin American societies where democracy has been corrupted by "authoritarianism, residualism, clientalism and state corporatism." Waisman explores the way economic liberalization has intensified these dualisms in Mexico as well as other countries. He suggests that there are three analytical dimensions: density, autonomy and self regulation. He goes on to develop theoretical propositions about the uneven nature of Latin American democratic culture that results when density, autonomy and self regulation are low. The question becomes: is Mexico overcoming the legacy of poorly institutionalized rules and evolving towards high quality democracy. He particularly highlights the fact that social polarization has increased since the beginning of NAFTA which in turn undermines the dynamics of democratization. Mexico faces a challenging future if it is to reduce inequality and expand the material side of citizenship. This is a fundamentally political choice not one that is structurally determined. For Waisman, Mexico's future depends upon mastering the dualism of inequality and clientalism.

Notes:

¹ Specific details about the new phase of North American integration are drawn from the 2007 edition of my book *La Ilusión Continental: Seguridad fronteriza y la búsqueda de una identidad Norteamericana* (Mexico City: Siglo XXI).

² Personal discussions of the author with US border authorities, October 2007.

³ In the Strategic Counsel poll the actual breakdown is as follows: 18% identified healthcare as their top concern, 26% the environment, 6% foreign policy and political leadership, 6% terrorism, 6% economic issues, 4% unemployment, 3% taxes, 3% education, and 3% crime.

⁴ Two previous complaints were filed in Germany; one was filed in Spain and one in Argentina.

⁵ See FAIR accuracy in reporting analysis of his advocacy journalism accessible at <http://www.fair.org/index.php?page=2867>. Dobbs makes no effort to provide a balanced, factual or nuanced view and this is not unusual at CNN.

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