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Special Report by Patrick Brown

Deep Integration ~Beyond the Economy?

The North American Free Trade Agreement was legislated into effect ten years ago by Parliament, the US Congress, and the Mexican legislature, most of whose members had never read the treaty. It was too long and complicated for easy understanding, yet it covered just a small part of the relations between the three countries.

Its impacts, both up to now and in the future, have been massive. As a trade and investment agreement, it assures market access across the Canadian and Mexican borders with the US. It guarantees US access to Canadian (but not Mexican) energy and other resources. US corporations, subject to US law, dominate economic activity in all three countries. The inevitable result is that the North American economy is effectively dominated by the US.

For many corporate executives, increasing economic integration between the three countries appears natural and inevitable. For many academics, it appears logical beyond all argument. And insofar as they may feel that the main priority of government is to facilitate economic growth, they also feel a convergence of the three governments is bound to follow.

Different Nations, Different Governments

But Canada and Mexico are still independent, sovereign countries, many of whose citizens have attitudes and values which differ markedly from those of Americans. There are basic economic differences, ranging from significantly lower income levels in much of Mexico to government-financed health care in Canada. There are historic differences, many of which, interestingly, echo previous disputes with the US. And there are many cultural differences.

Nowhere have these differences become more pronounced than in foreign policy. The US has continued to pursue a policy of world domination. Canada has pursued an international 'boy scout' posture, which has come into increasing conflict with a desire not to pick fights with the US. And Mexico has attempted an independent line, opening itself to Europe and to South America, but also with a wary eye on the US.

The result is three very different governments. All three are superficially democracies, but dysfunctional in different ways. The US, with rivalry between the executive, legislative, and

judicial branches constitutionally guaranteed, is now marked by blind partisanship, the purchase of political power, the corruption of media, and the gerrymandered paralysis of Congress.

Mexico's almost-even partisan split appears to have more historical origins, between the rich and the poor, the urban and the rural areas.

Canada's four-party minority government has more regional origins, but also reflects ideological gaps between the libertarian and the communitarian. It is risky for the weak, governing party to attempt to overreach its mandate on an issue of real substance.

And all three countries have state and provincial governments which, themselves, exemplify a wide variety of political directions.

Integration by Stealth

It is not surprising, therefore, that those who are impatient for a deeper North American integration have chosen to circumvent and subvert these governments. They may also have detected a public suspicion that convergence would mean a loss of national and local sovereignty. (Though some have argued that the proposed integration is the ultimate expression of free will!)

The political strategy which has been adopted is one that deliberately avoids debate, particularly within the legislative bodies of the three countries involved. There will be no more treaties, which might require ratification by legislative bodies.

Essentially, it is integration by regulation, known by the soothing word 'harmonization.'

Prime Minister Martin and President Fox met with President Bush at Waco, Texas on March 23, 2005. Following the meeting, they announced the 'Security and Prosperity Partnership of North America.' (It is assumed that in the US, anything labeled 'security' is politically correct, while 'prosperity' is intended to attract the rest of us.)

There was no agreement, no treaty, only a bland press release describing the process as a 'dialogue.'

The objects are stated as:

- To coordinate security efforts to better protect US citizens from terrorist threats and transnational crime and promote the safe and efficient movement of legitimate people and goods;
- Expand economic opportunity for all our people by making our businesses more competitive in the global marketplace,

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cutting red tape, and providing consumers with safe, less expensive, and innovative products; and

- Enhance our common efforts to combat infectious diseases, develop responses to man-made or natural disasters to enhance our citizens' quality of life, protect our people and our environment, and improve consumer safety.'

The 'Security and Prosperity Partnership of North America' (SPP) material specifically denies that the objectives impugn the sovereignty of any of the three countries involved, or attempt to create a common currency. However, some of the study papers that predated the SPP do make suggestions of this type.

The idea of a North American Union, which might have supra-national authority, is also specifically denied. (It seems doubtful that this would be in any way politically acceptable in the US.)

Under the 'umbrella' of the SPP a number of 'ministerial' task forces have been created, each consisting of cabinet level politicians and staff from all three governments. They cover a very wide variety of cooperative efforts between the countries, affecting many ministries and agencies of government, concentrating on security and trade.

In Cancun, Mexico, about a year later, the three heads of government met again. Fox was nearing the end of his term. Martin had been replaced by Harper.

But the agenda had not changed. The task forces reported 'progress' and continued. The three announced a North American Competitiveness Council (NACC) which 'provides a voice and formal role for the private sector.' There was no debate in Congress, Parliament, or in Mexico.

The Pull Behind the Push

So what keeps this all going?

In Banff, Alberta, last month on September 12 to 14, there was a meeting of the 'North American Forum.' It was organized by the Canadian Council of Chief Executives (CCCE). The press was not invited, but a remarkable variety of individuals from all three countries were. Few of them were important enough to require bodyguards, but security was tight nevertheless. They included (a partial list only) Co-chairs: Dr Pedro Aspe (Mexico), Hon Peter Lougheed (Canada) and Hon George Shultz (US).

Some other Canadian participants were: Hon Perrin Beatty (CME), Thomas d'Aquino (CCCE), Hon Stockwell Day (Ministry of Public Safety), Dr Wendy Dobson (IIB), Ward Elcock (Deputy Minister, National Defence), James K Gray, (Canada West Foundation), General Rick Hillier (Chief of Defence Staff), Hon John Manley and Hon Anne McLellan.

Among the US participants were: Mr Ron T Covais, President, The Americas, Lockheed Martin Corporation; Ms Carla A Hills; Admiral Tim Keating, Commander, US Northern

Command; Secretary Donald Rumsfeld, Secretary of Defense, US Department of Defense; Dr James Schlesinger, former Secretary of Energy & Defense; and Major General Mark A Volcheff, Director, Plans, Policy & Strategy, NORAD-NORTHCOM.

Among the Mexican participants were: Silvia Hernández, former Senator and Chair of the Senate Foreign Relations Subcommittee on North America; Luis de la Calle, consultant, former Deputy Minister of Economy; Juan Camilo Mouriño, general coordinator of President Elect's transition team; Mr. Carlos de Icaza, Mexican ambassador to the United States.

On their agenda was the 'deeper integration' of North America, including the following topics:

- a vision for North America,
- toward a North American energy strategy,
- opportunities for security cooperation in North America—military to military cooperation,
- demographic and social dimensions of North American integration, and
- border infrastructure and continental prosperity.

The meeting resolved to create an organization that would parallel and advise the Security and Prosperity Partnership of North America's task forces. Information on how this is to be done was not available.

The Future

Those who support deep integration are fond of pointing to the growth of the European Union as the pattern for North America. They say that a North American economic union will be necessary in a world of trading blocks: Europe, the Middle East, Southeast Asia, South America, with Africa as everyone's poor relation (depending on how much oil they find). This in itself seems a gross oversimplification, particularly given the significant imbalances between energy producers and energy consumers.

But it's also clear that the European Union reflects a political balancing act, with no one dominant nation. Further, the European governments seemed prepared to cede much of their regulatory authority to the EU office in Brussels.

North America does have a dominant nation, one which seems determined to exploit that dominance at every turn. Canada and Mexico seem predestined to remain the junior partners in such an arrangement. It is hard to imagine that any of the SPP 'task forces' will change US regulations to reflect those of Canada or Mexico.

The Banff meeting brought the North American Forum out of the shadows (sort of). Are they the hitherto invisible 'North American Government?' ☞