



Woodrow Wilson
International
Center
for Scholars

*Canada Institute,
Mexico Institute,
Project on America and the Global Economy*

Toward a North American Community?

A Conference Report





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Executive Summary

The “Toward a North American Community?” conference hosted by the Woodrow Wilson International Center for Scholars on June 11, 2002, examined the current relationships between the United States, Mexico, and Canada, and investigated the future of North American integration.

NATIONAL IDENTITIES, SOVEREIGNTY, AND SELF-INTERESTS

Identity, sovereignty, and how the United States, Mexico and Canada define what is in their national interest will shape integration in North America. Americans are largely ambivalent about North American integration. There is a strong sense in the United States that popular sovereignty must be protected, especially in defining foreign policy. Recent decisions of the current Bush administration show isolationist tendencies and an unwillingness to cooperate in multilateral institutions. Weak popular support for the North American Free Trade Agreement (NAFTA) in the United States and the absence of a consciousness of integration explain why little attention has been paid to how an expanded North American Community might fit into the American national agenda.

Mexicans by and large view free trade positively and think that NAFTA has actually strengthened national identity. While some economic nationalism still exists in Mexico, most Mexicans support increased North American integration. Increased investment and trade in Mexico could help to overcome economic asymmetries in North America. However, a majority of Mexicans favors a Free Trade Area of the Americas (FTAA) over an expanded North American Community; they are also interested in diversifying their export markets and are willing to trade with democratic as well as non-democratic countries. At the same time, Mexicans feel that the United States should remain their country’s principal trading partner.

While Canadian national identity may be difficult to define, Canadians take pride in being different from Americans, and English Canadians in particular have a history of resisting integration to protect the Canadian way of life. French-speaking Quebec has been more open to integration, since it sees the international stage as offering an opportunity to express its

distinctiveness from the rest of Canada. The Canadian government currently favors a “two-speeds” model of integration, which would entail closer integration with the United States now and draw Mexico in at a later time. Canada does not yet see Mexico as an equal partner, and a lack of knowledge about Mexico among Canadians means that Mexico is often excluded from discussion about North American integration.

POLITICAL AND ECONOMIC ASYMMETRIES

Asymmetries have played and will continue to play an important role in North American integration. An asymmetry of power between the United States and the two other NAFTA partners helps to explain why the United States can afford to be ambivalent about increased integration. Economic asymmetries also explain Mexico’s popular enthusiasm for deeper regional integration, as well as Canada’s hesitancy to adopt a tri-lateral approach. The United States and Canada both are reluctant to provide the resources that Mexico needs to fully modernize.

The Mexico–Canada relationship has grown substantially in the last decade but will always look underdeveloped when compared to the two other bilateral relationships. Mexico and Canada should continue to work on developing a strategic relationship and could potentially work together to engage the United States to consider increased integration on the continent. More knowledge is needed in Canada about Mexico and in Mexico about Canada. Exchanges among government and civil society could help mend this “knowledge gap.”

GLOBALIZATION AND THE NORTH AMERICAN COMMUNITY

The forging of a North American Community is linked to adaptation to globalization. How the United States deals with problems in North America will influence how the country is viewed outside the region and define America’s ability to be a leader on the global stage. Encouraging public dialogue about North America and learning from conflicts will facilitate the building of a community in North America. The development of a North American consciousness will likely come from increased trade and investment among the three NAFTA partners. However, individual notions of identity and sovereignty in Mexico, Canada, and the United States will dictate the development and breadth of such economic relationships.

Resumen Ejecutivo

El 11 de junio de 2002 el Woodrow Wilson International Center for Scholars realizó la conferencia “Hacia una comunidad de América del Norte?” donde se analizaron las relaciones actuales entre Estados Unidos, México y Canadá y se investigó el futuro de dicha integración.

IDENTIDADES NACIONALES, SOBERANÍA E INTERESES NACIONALES

Identidad, soberanía y el modo en que la población de Estados Unidos, México y Canadá definen su interés nacional van a dar forma a la integración en América del Norte. Los norteamericanos han sido por mucho tiempo ambivalentes respecto a una integración en América del Norte. En Estados Unidos hay una fuerte creencia de que la soberanía popular debe ser protegida, especialmente a la hora de definir su política exterior. Las recientes decisiones de la actual administración Bush muestran tendencias aislacionistas y una falta de interés en cooperar en instituciones multilaterales. El débil apoyo popular al Tratado de Libre Comercio de América del Norte (TLCAN) en Estados Unidos y la ausencia de una conciencia respecto de la integración explican porque no se le ha dado mucha importancia a la inclusión de una Comunidad de América del Norte en la agenda nacional estadounidense.

Por su parte, los mexicanos ven al libre mercado como positivo e incluso sienten que el TLCAN ha reforzado su identidad nacional. Si bien en México aun persiste un nacionalismo económico, la mayoría de los mexicanos apoya una mayor integración de América del Norte. El aumento de inversiones y del comercio en México podría contribuir a superar las asimetrías económicas en América del Norte. Sin embargo, la mayoría de los mexicanos prefiere un Área de Libre Comercio de América por sobre una expandida Comunidad de América del Norte; ellos también están interesados en diversificar sus mercados exportadores y están dispuestos a comerciar con países democráticos y no democráticos. Al mismo tiempo, los mexicanos creen que Estados Unidos debería seguir siendo el principal socio comercial de México.

En cambio, la identidad nacional canadiense parece más difícil de definir: los canadienses se sienten orgullosos de sus diferencias respecto a los estadounidenses, y los canadienses ingleses en particular, tienen historia en resistir la integración como forma de proteger el modo de vida cana-

diense. En cambio, una Québec franco parlante ha sido más proclive a la integración, ya que percibe la esfera internacional como una oportunidad para expresar su particularidad del resto de Canadá. Actualmente, el gobierno canadiense favorece un modelo de integración de “dos velocidades” que traería consigo una mayor integración con Estados Unidos a la vez que prevee una integración mas lenta con México. Canadá aun no ve a México como un socio en igualdad de condiciones, y la falta de conocimiento de los canadienses sobre México implica que este ultimo sea frecuentemente excluido de la discusión sobre la integración de América del Norte.

ASIMETRÍAS POLÍTICAS Y ECONÓMICAS

Las asimetrías han jugado y continúan jugando un rol importante en la integración de América del Norte. Una asimetría de poder entre Estados Unidos y los otros dos socios del TLCAN ayuda a explicar porque los Estados Unidos pueden sostener una postura ambivalente respecto de una mayor integración. Las asimetrías económicas también explican porque en México hay un amplio apoyo para integración regional más profunda, y la indecisión canadiense para adoptar un acercamiento trilateral. Tanto Estados Unidos como Canadá se resisten a proveer los recursos que México necesita para un mayor desarrollo.

La relación mexicana-canadiense ha crecido sustancialmente en la ultima década pero siempre va a ser subdesarrollada en comparación con las relaciones bilaterales de los otros dos países. México y Canadá deberían continuar trabajando para desarrollar una relación estratégica y podrían trabajar juntos para comprometer a Estados Unidos para que considere una mayor integración en el continente. Es necesario un mayor conocimiento de Canadá sobre México y de México sobre Canadá. Los intercambios entre los gobiernos y la sociedad civil podrían enmendar esta “falta de conocimiento”.

GLOBALIZACIÓN Y COMUNIDAD DE AMÉRICA DEL NORTE

Forjar una comunidad de América del Norte esta ligada a la adaptación a la globalización. El modo en que Estados Unidos se comporta para con los problemas en América del Norte va a influir en la imagen del país fuera de la region y definir la habilidad de Estados Unidos para ser un líder a escala global. Alentando al dialogo público sobre América del Norte y aprendiendo de los conflictos va a facilitar el establecimiento de una comunidad en América del Norte. El desarrollo de una conciencia de América del Norte probablemente se derive del mayor intercambio comercial y de inversión entre los tres socios del TLCAN. Sin embargo, las respectivas nociones de identidad y soberanía que tienen los ciudadanos y ciudadanas de México, Canadá y Estados Unidos van a determinar el desarrollo y amplitud de sus relaciones económicas.

La conférence « Toward a North American Community », organisée le 11 juin 2002 par le Woodrow Wilson International Center for Scholars, a examiné les relations actuelles entre les États-Unis, le Mexique et le Canada, et analysé l'avenir de l'intégration nord-américaine.

IDENTITÉ, SOUVERAINETÉ ET INTÉRÊTS NATIONAUX

L'identité, la souveraineté et la manière dont les États-Unis, le Mexique et le Canada définissent ce qui va dans le sens de leur intérêt national sont les éléments qui donneront forme à l'intégration au sein de l'Amérique du Nord. Les Américains sont très ambivalents face à l'intégration nord-américaine. Aux États-Unis, on a le fort sentiment qu'il faut protéger la souveraineté du peuple, surtout quand il s'agit de définir la politique étrangère. Les décisions récentes de l'administration Bush révèlent des tendances isolationnistes et un refus de coopérer avec les institutions multilatérales. La population américaine n'est pas enthousiasmée par l'Accord de libre-échange nord-américain (ALÉNA) et semble assez peu consciente du phénomène de l'intégration; ces deux facteurs expliquent pourquoi la manière dont une Communauté nord-américaine élargie pourrait s'inscrire à l'agenda national des États-Unis a retenu aussi peu d'attention.

En général, les Mexicains sont favorables au libre-échange et croient que l'ALÉNA a en fait consolidé leur identité nationale. Tandis qu'un certain nationalisme économique persiste au Mexique, la plupart des Mexicains soutiennent le renforcement de l'intégration nord-américaine. L'accélération des investissements et des échanges commerciaux pourrait contribuer à corriger les asymétries économiques dont souffre l'Amérique du Nord. Toutefois, la majorité des Mexicains sont en faveur de la Zone de libre-échange des Amériques (ZLÉA) qui s'étendrait au sein d'une Communauté nord-américaine élargie; il souhaite également diversifier leurs marchés d'exportation, et sont disposés à commercer avec tous les pays, démocratiques ou non. En même temps, les Mexicains croient que les États-Unis devraient demeurer le premier de leurs partenaires commerciaux.

Alors que l'identité nationale canadienne est difficile à définir, les Canadiens sont fiers d'être différents des Américains, et les Canadiens anglophones en particulier ont de tout temps résisté à l'intégration pour

préservé le mode de vie canadien. Le Québec francophone s'est montré plus ouvert à l'intégration, car il voit la scène internationale comme une occasion d'exprimer son caractère distinct du reste du Canada. Le gouvernement canadien favorise actuellement un modèle d'intégration « à deux vitesses » qui permettrait une intégration plus étroite avec les États-Unis dès à présent pour, ultérieurement, y associer le Mexique. Le Canada ne perçoit pas encore le Mexique comme un partenaire égal et, comme les Canadiens connaissent souvent mal le Mexique, ce pays est souvent exclu du débat sur l'intégration nord-américaine.

ASYMÉTRIES POLITIQUES ET ÉCONOMIQUES

Les asymétries ont joué et continueront de jouer un rôle important dans l'intégration nord-américaine. L'asymétrie du pouvoir entre les États-Unis et les autres partenaires de l'ALÉNA est un facteur qui explique pourquoi les États-Unis peuvent se permettre d'être ambivalents face à une intégration accrue. Les asymétries économiques expliquent également l'enthousiasme du peuple mexicain pour une intégration régionale plus poussée, ainsi que l'hésitation du Canada à adopter une optique trilatérale. Les États-Unis et le Canada sont peu disposés à fournir les ressources dont le Mexique a besoin pour se moderniser complètement.

Le Mexique et le Canada ont beaucoup resserré leurs liens au cours de la dernière décennie mais, comparativement aux deux autres relations bilatérales, ces liens sembleront toujours insuffisants. Le Mexique et le Canada devraient poursuivre leurs tentatives de nouer une relation stratégique et pourraient même conjuguer leurs efforts pour amener les États-Unis à envisager une intégration accrue sur le continent. Il faut que le Canada connaisse mieux le Mexique et la réciproque est tout aussi vraie. Les échanges entre les pouvoirs publics et la société civile pourraient contribuer à combler ce fossé.

LA MONDIALISATION ET LA COMMUNAUTÉ NORD-AMÉRICAINNE

La création d'une Communauté nord-américaine est tributaire de l'adaptation à la mondialisation. La manière dont les États-Unis s'attaquent aux problèmes influera sur la perception que le monde extérieur aura de ce pays, et définira la capacité de l'Amérique d'être un chef de file sur la scène mondiale. C'est en favorisant le dialogue public sur l'Amérique du Nord et en tirant des leçons des conflits que l'on pourra bâtir une communauté en Amérique du Nord. L'éveil d'une conscience nord-américaine découlera probablement de l'intensification du commerce et des investissements entre les trois partenaires de l'ALÉNA. Toutefois, la notion d'identité et de souveraineté de chacun des trois pays—soit le Mexique, le Canada et les États-Unis—dictera le développement et l'envergure de ce type de relations économiques.

Introduction

On June 11, 2002, the Woodrow Wilson International Center for Scholars sponsored a conference entitled “Toward a North American Community?” Organized by the Latin American Program’s Mexico Institute, the Canada Institute, and the Project on America and the Global Economy (PAGE), this conference was designed to generate dialogue in Washington about the future of North American integration. In the early 1990s, the passage of the North American Free Trade Agreement (NAFTA) prompted debate about economic and social integration in North America. Today, the future of the North American relationship continues to be discussed; Mexican President Vicente Fox’s recent push for a “NAFTA plus” agreement has intensified debates about integration.

This conference was a departure from many recent events on North America. Instead of looking exclusively at trade and investment, the panelists were asked to focus on relationships in North America and to examine identity, sovereignty, and political practices in the United States, Mexico, and Canada. Further economic, political, and social integration will depend on how citizens of the three countries define their national identities and the degree to which they are willing to cede some of their countries’ sovereignty to a larger entity.

Panelists discussed whether a stronger Mexico–Canada relationship was an essential element of building a North American Community. The Mexico–Canada relationship has changed substantially since the early 1990s. Trade between the two nations has increased, as has the frequency of inter-ministerial meetings on issues such as energy, trade, and agriculture. However, the relationship is still often characterized as underdeveloped.

Participants discussed how the building of a North American Community is connected to globalization. They paid particular attention to the role political and economic asymmetries have played and will continue to play in North American integration.

Panelists also identified that there is an asymmetry of knowledge and attention among the three NAFTA partners. Policymakers in Mexico are currently studying the future of North American integration. In Canada,

the House of Commons' Standing Committee on Foreign Affairs and International Trade visited Washington, D.C. and Mexico in March 2002 to assess the North American relationship, and a number of think tanks are devoting resources to study the future of the North American partnership. However, there has been little comparatively similar activity in the United States.

This conference brought together academics and policymakers to highlight existing research—and research needs—for an American audience. The following report summarizes the panel presentations and luncheon talk, and offers insight into current and emerging policies in the United States, Mexico, and Canada.

Changing Identity in Canada, Mexico, and the United States

The first panel of the conference brought together scholars from the United States, Mexico, and Canada. Panelists looked at American, Mexican, and Canadian attitudes on identity and sovereignty in the context of North America. Trade, political integration, and the nature of agreements among the three countries will depend largely on the way people in these countries define their interests, and the extent to which they feel there is something to be gained from a North American Community. Moderator **Jeffrey Heynen**, drawing on Robert Bellah's definition, observed that a community is a group of people with considerable social interdependence, and shared cultural and economic norms who participate in common decision-making procedures.* It was important to see whether the United States, Mexico, and Canada are moving in the direction of creating a community in this sense.

Stephanie R. Golob's comments suggested that the United States is ambivalent about an expanded North America and that the concept of a North American Community is not currently on the political agenda in Washington. Alejandro Moreno showed that Mexicans are strongly in favor of free trade, and most Mexicans favor increased integration. Laura Macdonald argued that Canada is tentative about deepening North American integration and about considering Mexico an equal partner. Asymmetries of power, attention, and resources all provide barriers to the development of a North American Community.

UNITED STATES

Many observers have remarked that, given the ideological commitment in the United States to free trade and the historically high levels of economic interdependence with its neighbors, the North American Free Trade Agreement (NAFTA) was inevitable and simply institutionalized what had already existed. **Stephanie R. Golob** of Baruch College, City University of New York, disagreed with this argument and maintained that nothing

* Robert N. Bellah, et al., *Habits of the Heart: Individualism and Commitment in American Life* (Berkeley: University of California Press, 1985).

in politics is inevitable. Golob asserted that, far from being an issue tied strictly to economic interest, free trade in North America has been linked to feelings of national pride. For Canada and Mexico, facing absorption or exploitation by the United States, political sovereignty has been equated with economic sovereignty in definitions of the “national interest.” The Canadian and Mexican decisions to negotiate free trade with the United States came after nearly a century of resistance, and discussions today about an expanded North American Community are tied closely to Mexican and Canadian fears about continued national existence in the face of real and perceived economic and political asymmetry with the United States. At the same time, Golob indicated that despite this perception that the United States is driving integration, related concerns in the United States about popular sovereignty and national integrity drove the highly-emotional NAFTA debate back in 1993, and continue to form a key obstacle to North American Community in the current post-September 11th domestic and international climate.

Golob suggested that, because of these obstacles, North American integration will have to come from the top down. Many bottom-up linkages such as migration and the spread of the Spanish language demonstrate community among the three countries. The narrowly drawn economic integration embodied in the NAFTA accord itself, however, remains the basis of current discussions about the concept of formal integration in North America. Accordingly, Golob’s comments addressed the possibility of constructing a broader “North American” identity from a “foreign policy perspective.” Foreign policy, she asserted, provides three things for a nation’s citizens: sovereignty, security, and identity. Sovereignty dictates that the state’s citizens and government (“we”) decide policy, identity defines “who we are” as a nation, and security protects a nation’s sovereignty and identity. Governments must convince citizens that the regional project is consistent with these three values by expanding the definition of the “we.”

Golob suggested that the United States, ironically, may prove the greatest obstacle to this process. U.S. foreign policy has historically reflected two contradictory feelings about power: one that is highly nationalist/unilateralist and the other internationalist. American foreign policy revolves around the conflict and compromise between these contradictory positions from one administration to the next and occasionally within an administration. The current administration under President George W. Bush is more willing to act unilaterally than the Clinton administration, and has a narrower definition of national security. Even before September 11th, the

current administration talked about implementing national missile defense, decreasing American commitments overseas, and protecting the American homeland. After September 11th, Golob said, it appeared necessary for the United States to build multilateral coalitions, and there were incentives for the United States to pursue deeper North American integration. Security concerns meant that the sharing of intelligence, and drawing in Canada and Mexico on the war on terrorism, would limit terrorist activities. The economic slowdown in the United States, and the vulnerability of the two borders to security-related closures, emphasized the mutual dependency of the NAFTA partners on regionally-oriented trade and investment.

The Bush administration, however, did not opt to pursue such a foreign policy. Instead of a true multilateral approach, the United States has opted for a “hub and spoke” model in which it offers different coalition partners specific roles to play, but maintains flexibility and the ability to define its goals unilaterally. This does not represent a positive form of integration for Canada or Mexico, as the emphasis on unilateralism undermines the implicit bargain each had made trading off some economic sovereignty for greater certainty in its relations with the United States under NAFTA. This direction of U.S. foreign policy demonstrates the centrality of popular sovereignty in the nation’s identity, and the key American goals of protecting sovereignty and reserving for itself the right to decide its own priorities and foreign commitments at a time of heightened insecurity.

There is little thought in Washington about how a more integrated North America might fit into the current national agenda. Golob suggested that this could be explained, in part, by the fact that NAFTA continues to be perceived by many Americans as a threat to American jobs and the environment, or as favoring big business. Golob also pointed out that even though immigration to the United States helped fuel the economic boom of the late 1990s, there is a strong sense among Americans that the United States did it alone. Thus, there still is minor public awareness of the extent of North American integration or of the benefits that could derive from deeper regional integration. The relatively marginal position of Canada and Mexico in the foreign policy agenda of the United States—that is, the failure of the Bush administration to link regional integration with America’s sovereignty, security, and identity—is another barrier to the building of a North American Community.

Golob suggested three ways that the issue could gain more attention from policymakers in Washington. Civil society and border communities could drive the issue from the bottom-up and push the government to create trilateral institutions. Alternatively, the President and his inner

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circle could fuel its development from the top down by demonstrating to Congress and the media that the expansion of North American integration is in the national interest. She suggested, however, that future decisions on greater integration would most likely come about via “integration through protectionism,” where agreements to integrate the three countries further are coupled with measures that protect specific U.S. industries. This would be an incremental approach to integration in which North American identity is deepened in sectors already integrating and is framed as non-threatening to those sectors which see themselves outside of regional flows. This approach would be driven by Congress and require the building of constituencies so that the issue could be framed as a “winner at the polls.”

MEXICO

Alejandro Moreno, director of research for the Mexican newspaper *Reforma* and a professor at the Instituto Tecnológico Autónomo de México (ITAM), presented findings of several public opinion polls and observed that the Mexican public is strongly in favor of increased free trade. The polls show that 61% of the Mexican population favors free trade, while only 19% oppose it. Support for free trade is especially strong among Mexicans with higher education and among the “NAFTA generation,” the segment of Mexico’s population under the age of 30 who entered adulthood at the time the agreement was negotiated. Moreno noted, however, that while a majority of the population feels joining NAFTA was the right decision for Mexico, attitudes toward the agreement’s current performance are much more ambivalent. Only 44% feel that NAFTA has been very good for Mexicans. In fact, the strongest supporters of free trade, Moreno pointed out, have been the most critical of NAFTA.

Mexicans are split on whether NAFTA has strengthened or weakened national identity. A slightly higher percentage believes it has been positive for national identity, meaning that Mexicans are more secure with and aware of their national identity. Despite the general support for free trade, there is still economic nationalism in Mexico in certain strategic industries, notably energy. Although there were trade barriers with the United States for much of the twentieth century, economic nationalism had largely dissipated by the 1980s and 1990s. More than two-thirds (68%) of Mexicans still believe that Mexico should reserve its energy supplies and not trade in this sector with the United States and Canada; a similar percentage of Mexicans believes the government should continue to manage the electric power industry as well.

Mexicans are very enthusiastic about the possibility of a Free Trade Area of the Americas (FTAA), and most disagree that the treaty should only admit democratic countries and exclude the non-democratic ones. Moreno indicated that the majority of Mexicans prefer a more inclusive free trade agreement to an expanded agreement with only the United States and Canada. However, Mexicans feel that the United States should remain its principal trading partner. This appears to represent a strong sentiment in Mexico that the country should be open to countries in both Latin America and North America; yet, Mexicans also have a pragmatic belief that the United States will continue to be their main strategic partner.

CANADA

In her presentation, **Laura Macdonald** of Carleton University noted that identities in Canada are not fixed but are multiple, and continually shift and evolve. There has been a long history of holding multiple identities in Canada. For some time, English Canadians considered themselves part of the British Empire as well as Canada, and many Quebeckers currently view themselves as both Quebeckers and Canadians. Canadians are also proud of their multicultural heritage, which has become one of the defining factors of Canadian identity. Macdonald indicated that sovereignty is no longer limited to a national territory marked by stable geographic borders. In fact, she suggested that we have entered an era of post-sovereign governance, a condition that Canada has dealt with for some time, since its sovereignty has always been limited. For instance, when Canada gained independence in 1867, it had domestic sovereignty, but was not in control of formulating its own foreign policy until the Statute of Westminster in 1931.

Most Canadians live within a short distance of the U.S. border and the border plays a significant role in shaping Canadian identity. To counter the strong north-south linkages between the United States and Canada, the Canadian government constructed an imagined community in Canada. The National Policy, implemented in the late 1800s, constructed Canada by protecting industry, building the railroad to connect the country, promoting east-west ties in Canada, and safeguarding national sovereignty.

Canadian identities are multiple, and generally lack distinctive markings. Nonetheless, Macdonald argued that it is important to note that Canadian identity is also defined in relation to an “other,” the United States. She said that there is a sense of pride among Canadians in not being American. Accordingly, Canada has historically been hesitant to surrender sovereignty to the United States. This can be seen in the 1911 parliamentary election defeat of Prime Minister Wilfred Laurier and his government after they

Fear about integration...does not necessarily mean that Canada will not continue to integrate more closely with the United States and Mexico; however, any Canadian approach would be a pragmatic one.

supported trade reciprocity with the United States. **Stephanie Golob** agreed with this, and pointed out that based on this event there was, until the late twentieth-century, a sense among Canadian politicians that they could not—and should not—support free trade with the United States.

At present, Canadians mainly view integration in two ways, Macdonald argued. The “nationalist camp,” which is largely English Canadian, resists increased integration. They believe that protecting Canada’s sovereignty is a more important goal than developing the economy, and assert that maintaining the primacy of Canadian values in policy is a significant objective. The “continentalist camp,” on the other hand, argues that increased integration is beneficial, values economic prosperity, and does not believe that sovereignty is necessarily compromised with further integration. Macdonald noted that the nationalist argument is decreasing in popularity and another more internationalist ideological camp is forming.

Macdonald argued that Canada’s current concern about increased North American integration is tied to the government’s sense that most Canadians, especially English Canadians, are not comfortable with closer ties to the United States. The people of Quebec, on the other hand, have been much more open to the idea of a North America Community, since they see the international stage as offering an opportunity to strengthen their provincial economy. Macdonald added that Canada has not been at all supportive of Mexican President Fox’s vision of a “NAFTA plus.” She attributed this to a lack of knowledge about Mexico in Canada, as well as some discomfort with regarding Mexico as an equal partner. Fear about integration, Macdonald argued, does not necessarily mean that Canada will not continue to integrate more closely with the United States and Mexico; however, any Canadian approach would be a pragmatic one.

Stephanie Golob offered three primary observations about Canadian views of increased North American integration. First, underscoring the theme of asymmetry, Canada has devoted more resources to studying and discussing integration than the United States. There is a sense in Canada that North America is in the national interest and that an expanded North America can be strategic. The government is investing in ventures such as Team Canada, which encourages investment beyond the United States, including in countries such as Mexico. Second, even as free trade advances in other economic activities, the Canadian government continues to respond to perceived demands from English Canadian citizens for protection of “sacred sectors”—cultural industries and the media—which are threatened by the commercialized advance of “Americanization.” This is not the case in Quebec, however, where the link between culture, trade

and political sovereignty is relatively weaker. Finally, there is a sense of disillusionment about North American integration among Canadians. For all of Canada's support of the United States after September 11th, Golob noted, Canadians did not get a pat on the back but rather a 29% tariff on exports to the United States of softwood lumber, which created an "asymmetry of trust" with the United States. Nonetheless, she observed that it is in Canada's interest to maintain and develop stronger relations with the United States. While there has historically been a fear of closer ties with its southern neighbor, the development of a better Canada-U.S. relationship is now a goal articulated by multiple political parties in Canada.

DISCUSSION

The audience participated actively in the discussion. Joe Dukert, an independent energy consultant, asked why the Canadian government is currently resisting increased trilateral consultation. Stacey Wilson-Forsberg from the Canadian Foundation for the Americas (FOCAL) said that while trilateral meetings of Parliamentarians can be an effective way to work out issues, many Canadian government officials have indicated that trilateral meetings are not efficient and prefer to meet with American and Mexican government officials separately. William Crosbie from the Canadian Embassy suggested that there are very few truly trilateral issues and added that since it is difficult for Canadian Members of Parliament to meet with U.S. Representatives or Senators, Canadian legislators do not want to spend that time talking about Mexico-U.S. bilateral issues.

Another participant suggested that to adequately form a North American Community, a social safety net must be in place. Stephanie Golob suggested that integration with a poorer country is not possible without spending money to "level up" the less developed nation, as was done in the European Union. She was skeptical about the three nations integrating in terms of a social safety and health care. Canada, in particular, has a health care system of which its citizens are very proud and which differs substantially from the health system in the United States. Areas such as this will not be points of convergence. She thought that discussing what makes the three countries different would be useful.

Alejandro Moreno argued that we do not need points of convergence to make a community. Isabel Studer of the Facultad Latinoamericana de Ciencias Sociales in Mexico (FLACSO) concurred. She noted that many people assume that homogeneous values are needed in order to create a North American Community; however, if one looks at the European context, there are many different values and identities, and commonalities

**Do we want to
move beyond the
Community that
already exists?**

among different cultures took considerable time to develop. Studer argued that there is more integration in North America now than there was in Europe when its nations began discussing integration. She also pointed out that despite significant differences among Mexico, Canada, and the United States, the three countries were able to develop a common framework and set of rules, which she viewed as the beginning of a North American Community. Under NAFTA, there are already 20 committees and sub-committees, on issues such as energy and the environment, which are constantly revising NAFTA. Studer suggested that the real question is: Do we want to move beyond the Community that already exists?

Golob added that while there is a common set of rules under NAFTA, governments have not publicized this aspect of North American integration. At present, there is a great deal of fear that provisions under Chapter 11 of the Agreement will take away popular sovereignty in the United States since businesses are now able to challenge state as well as federal government regulations. The backlash against the heightened awareness of Chapter 11 means that the U.S. government is uneasy about publicizing further details of NAFTA. Golob concluded by pointing out that European integration was never predictable, and that we might not be able to predict the path that the building of a North American Community will take.

Mexico and Canada: An Emerging Relationship?

The second panel examined the emerging relationship between Mexico and Canada. A more dynamic Mexico-Canada relationship has emerged since the passage of the North American Free Trade Agreement (NAFTA), yet the relationship is still often characterized as underdeveloped. Stacey Wilson-Forsberg said the underdeveloped relationship could be explained by a lack of knowledge in Canada about Mexico and because the Canadian government favors a “two-speeds” model of North American integration. Isabel Studer suggested that Mexico and Canada develop a strategic relationship, and added that the Mexico-Canada relationship will always look small when compared to the relationships the two countries have with the United States. Studer argued that economic inequalities could explain both Mexico’s support for as well as Canada’s reluctance to adopt a trilateral approach.

A VIEW FROM CANADA

Stacey Wilson-Forsberg, of the Canadian Foundation for the Americas (FOCAL), reported that the study of future North American integration has gained importance in Canada over the last few years. She recently testified before the Canadian House of Commons’ Standing Committee on Foreign Affairs and International Trade (SCFAIT) which is currently examining the future of the North American relationship. While SCFAIT and a few research institutions have included Mexico in their study of North America, much of the focus on the topic by Canadian media, institutions, and individuals has been on the United States. Wilson-Forsberg said that it is difficult to factor Mexico into the Canadian discussion on North America because there is a significant “knowledge gap” about Mexico.

Mexico is also neglected in discussion regarding integration, she said, because a “two-speeds” model of North American integration is favored in Canada. Under this model, Canada and the United States would continue to integrate bilaterally and would invite Mexico to join once it comes closer on the path of modernization. Wilson-Forsberg commented that she and her colleagues at FOCAL find this model of integration to be worrisome. She acknowledged that Mexico faces many challenges, includ-

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Ignoring Mexico now could be a costly mistake. Both Canada and the United States need to contemplate how Mexico could fit in an expanded North America.

ing figuring out how to alleviate the poverty of half of its population, how to work with Congress, and how to tackle judicial reform and corruption. However, Wilson-Forsberg pointed out that the Mexican economy has been increasingly stable and has demonstrated real growth in the last decade. There is potential for development in industry, manufacturing, and technology. A young, urban population with a North American mindset could also create a large market for Canadian goods and services. Wilson-Forsberg warned that ignoring Mexico now could be a costly mistake. Both Canada and the United States need to contemplate how Mexico could fit in an expanded North America.

To be convinced of the strategic role that Mexico could play, Canadians need to increase their knowledge of Mexico. While polls show that Canadians have lost some of their economic fear of Mexico, which was strong in the early 1990s, there has not been any increased understanding of Mexican politics, society, or culture. The knowledge gaps that prevent long term planning for the Canada-Mexico relationship must be overcome in Canada's government, academia, the private sector, and civil society. In the private sector, Canadian businesses need to establish long-term strategies for dealing with Mexico. Wilson-Forsberg also recommended increasing the number of exchanges among working level personnel, academics, and policy researchers, as well as increased parliamentary linkages and study tours for government officials. FOCAL and the Centre on North American Politics and Society at Carleton University recently sponsored a roundtable discussion that brought together policymakers and policy researchers from Mexico and Canada to discuss emerging issues. She said that while representatives from the two countries agreed on many issues and concurred that they could learn from each other, they disagreed on the future of the North American relationship. The Mexican contingent favored a more visionary approach, while the Canadian delegates were far more pragmatic about integration.

A VIEW FROM MEXICO

Isabel Studer, of the Facultad Latinoamericana de Ciencias Sociales (FLACSO-Mexico), put forward two propositions often made by those who study North America:

- First, that North America is a set of two bilateral relationships, and
- Second, that the enhancement of a North American Community requires a stronger relationship between Mexico and Canada.

Studer asserted that in the last decade, the Mexico-Canada relationship has been strengthened. The two countries have even set a formal framework to

develop a strategic relationship on a bilateral and a multilateral basis. However, Studer argued that the Mexico-Canada relationship will never be as extensive as the Canada-U.S. or Mexico-U.S. relationships. She proposed that Mexico and Canada should focus on working together to forge a North American (trilateral) agenda that is based on strategic considerations.

Questioning whether the Mexico-Canada relationship could adequately be characterized as an “emerging” relationship when the two countries have had five decades of diplomatic relations, Studer conceded that the Mexico-Canada relationship has increased dramatically in scope in the last decade. Trade between the two nations has tripled from \$4 to \$12 billion U.S. dollars per year, and Canada is now Mexico’s third largest investment partner. The number of government and academic exchanges has also increased, and the Mexico-Canada relationship has become increasingly institutionalized. Whereas before 1990, the two countries had signed only 18 bilateral agreements, between 1990 and 2000 Canada and Mexico entered into 60 agreements on a variety of issues including environment and education. Studer indicated that the Canadian and Mexican governments have also signed a document in which they committed to develop bilateral relations covering political, social, and economic agendas, and increase their cooperation in multilateral organizations. However, Mexican and Canadian leaders have done very little work to develop a trilateral agenda that would include the United States.

The existence of asymmetries in North America, Studer argued, can explain the position of the NAFTA partners on the idea of expanded North American integration. With its large, diversified economy and status as a superpower, the United States can afford to be indifferent and ambivalent about integration, and draws the benefits of dealing with two separate bilateral relationships. Mexico is a developing country, and its per capita income is much lower than in Canada and the United States. For Mexico, integration could provide an important means of facilitating economic development. In fact, Mexico’s proposal for a “NAFTA plus” calls for North American integration on the European model that creates institutions in addition to a migration agreement and a development fund as a way to develop infrastructure in Mexico and address economic disparities.

Canada’s response to Mexico’s proposal for an expanded North American relationship has been skeptical. Studer pointed to a number of explanations for the Canadian response. First, Canadians fear that trilateralism could mean the harmonization of standards toward the lowest common denominator. For instance, Canadians fear that a common border agreement might entail a more militarized Mexican-style border

Differences did not prevent the three countries from enacting NAFTA and agreeing on a common set of rules.

with the United States. Second, Canadians have always preferred the pragmatic approach, and favor gradual and market-oriented integration. Third, there is a current preference among Canadian officials for the “two-speeds” model of integration. In addition, Canada has typically favored using either a multilateral or a bilateral approach when dealing with the United States, and Canadian officials fail to see the benefits of trilateralism. Finally, it is difficult to convince the Canadian taxpayer to contribute to decreasing economic disparity in Mexico when there are still extensive and well-publicized problems such as corruption in that country.

Yet, Studer pointed out that differences did not prevent the three countries from enacting NAFTA and agreeing on a common set of rules. She suggested that while inequalities may be obstacles, they could be overcome if the interests of all countries are recognized. For example, Mexico has become a major trading partner of the United States, and recently surpassed Japan as America’s second largest trading partner. She also said that the positive aspects of NAFTA are quite often ignored. Some positive outcomes of NAFTA have been increased exports and investment as well as economic stability, particularly in Mexico. There have also been higher levels of efficiency and competitiveness in industries that have become integrated on a North America basis, most notably the auto industry.

Studer indicated that the United States would not launch an agenda on its own accord for a more integrated North America. For any progress to occur, Mexico and Canada would need to strategically engage their common neighbor in areas where the three nations have interests at stake. Studer also suggested that identity concerns will remain important for each of the three North American countries, and in order to develop a North American agenda, competitive and economic considerations should prevail over strategies to overcome those national identity fears. She indicated that the existing trilateral agenda could progress to achieve further integration on issues that are already in the trilateral agenda, such as environmental issues and higher education, without prompting concerns over national identity. An expanded trilateral agenda could also include issues that emerge due to strategic considerations, such as concerns about the unilateral action taken by the United States on security issues. Studer concluded by saying that further North American integration will not entail “grandiose schemes,” and it requires Mexico and Canada’s strategic partnership to develop a trilateral agenda.

DISCUSSION

Moderator **Carol Wise** of Johns Hopkins University’s School of Advanced International Studies started the discussion by agreeing with

both Isabel Studer and Stacey Wilson-Forsberg that while there are many challenges to the development of a North American Community, they are not insurmountable. The discussion that followed revolved around four themes: institutions, asymmetries, identity, and intergovernmental relations. Asked whether trilateral approaches could be useful to solving bi-lateral issues, such as the Canada-U.S. dispute over softwood lumber or the Mexico-U.S. water issue, Studer said that transnational issues should not be confused as trilateral issues. She argued that the poor performance of some of NAFTA's existing institutions can be attributed to the difficulty of finding common interests between the countries on specific problems, and that a trilateral approach would not work on disputes such as water.

Jeff Faux from the Economic Policy Institute asked whether there are differences along East-West or English-French lines in terms of how Canadians view the relationship with Mexico. Wilson-Forsberg indicated that the Quebec and Alberta governments have developed their own strong relationships with Mexico, Quebec because of its political goals and Alberta because of energy. In response to another question from Nick Steidel of the National Conference of State Legislatures about the extent of sub-national relations between Canada and Mexico, Wilson-Forsberg said that interest was strong, observing that on a recent study tour to Mexico sponsored by the Ottawa-based Public Policy Forum, most of the participants were representatives of provincial governments. She noted that Alberta, British Columbia, Quebec, and New Brunswick are all very interested in developing closer trade linkages to Mexico.

Paul Jolly of the American Association of Medical Colleges asked why both Canada and the United States are so hesitant to invest in aid in order to help decrease some of the asymmetries in Mexico. Studer responded that neither Canada nor the United States is taking the need to develop Mexico seriously. She said that American liberal ideals and the belief in the power of free markets means the United States is hesitant to provide such help. Wilson-Forsberg added that Mexico is not eligible for money from the Canadian International Development Agency.

The United States would not launch an agenda on its own accord for a more integrated North America. For any progress to occur, Mexico and Canada would need to strategically engage their common neighbor in areas where the three nations have interests at stake.

Toward a North American Community

Luncheon speaker **Bruce Stokes**, a columnist for the *National Journal*, called attention to how the forging of a North American Community is tied to globalization and suggested that if we fail in creating such a community, we will also fail to adapt to globalization. Stokes cautioned that the way in which United States deals with problems in North America influences how the country is perceived as a leader in the world. He also noted that building a North American Community means recognizing that there are resentments in Canada and Mexico towards the United States and that the relationship is highly unequal. Stokes stressed the importance of generating public dialogue about North American integration and creating procedures for citizens of the three countries to give input into multilateral agreements. He said that the difficulties in forging a North American relationship should be embraced and suggested that a North American consciousness will stem from the development of solutions to economic issues and inequalities.

EXTRACT FROM REMARKS BY BRUCE STOKES, COLUMNIST, NATIONAL JOURNAL

I, for one, think there is no more important social, economic and, now, even security challenge facing the United States than how to integrate the three diverse societies of North America into one heterogeneous yet coherent community. The importance of the process of creating such a community is self-evident to you or you would not be here today. But the question I think we face is how do we convey that importance to those on Capitol Hill and the quarter of a billion North Americans? Maybe we cannot, maybe it is just too difficult to create this community.

I take a more optimistic view of this, or maybe a more determinist view of it. I think we will in fact evolve into a North American Community because we are on a path that is not irreversible but is moving in that direction. In wrestling with the issues involved in creating a North American Community, we are also engaged in the day-to-day challenges posed by the rapid pace of economic, technological, and cultural change that we so glibly

In the end, how the American, Canadian, and Mexican peoples adapt to globalization and the judgment they render on whether globalization has been good or bad for them will be determined by how we deal with the problems associated with the integration of the North American Community.

call globalization. And, in the end, how the American, Canadian, and Mexican peoples adapt to globalization and the judgment they render on whether globalization has been good or bad for them will be determined by how we deal with the problems associated with the integration of the North American Community. Because it is in the North American Community that people experience globalization most intimately and most directly on a day-to-day basis.

These two issues, globalization and the North American Community, are inextricably connected. If we fail in our task of creating a North American Community, I submit to you that we will also fail in the broader task of adapting to globalization, with an even greater cost in terms of political, social, and economic upheaval that would be attendant with that failure. The challenge of creating a North American Community is broader than we perceive it to be immediately.

Speaking as a citizen of the United States, I think that there is even more at stake for Americans. How we deal with North American problems is terribly important because it influences how we are perceived, as well as our ability to lead in North America and around the world. In this time of emerging global hegemony by the United States, how Washington—the New Rome—acts and how Rome conducts itself in its own region is terribly important to the rest of the world.

It certainly will come as no shock to you that the perception of the United States in the region remains lousy. We are perceived as aggressive, arrogant, greedy, and not to be trusted. We are seen to act in a unilateral fashion, to do too little to help solve the world's problems, and to do too much to contribute to the growing gap between the rich and the poor.

It is also disturbing to note that at least in Mexico, there is some evidence that American values and ideas about democracy are rejected or at least questioned, at least more so than we in the United States would like to believe they are. And this is, in fact, a major problem in our challenge in dealing with the integration in North America. There remain resentments in Mexico about the war that was fought 150 years ago. There also remain resentments in Canada about the type of cultural influence the United States has north of the border and our designs on Canada. So our ability to lead in this North American Community faces grave challenges. But if we cannot overcome these challenges we will not be able to overcome the broader challenges of leadership around the world.

How are we doing on the narrower issue of public acceptance of this North American Community? Here in the United States, we are not doing very well. We have had five comprehensive surveys on attitudes toward trade and

the North American Free Trade Agreement (NAFTA) in particular, and have found consistently that three out of five Americans would pull out of NAFTA or change NAFTA in some significant way if they could. The public in the United States has rendered a negative judgment. That does not mean we will end NAFTA but it gives us a sense of the challenge we face in moving forward with integration.

In Canada, NAFTA is held in higher regard. Two thirds of Canadians support Canada's membership in NAFTA. But then what can you expect from a country that has benefited so greatly in a macroeconomic sense from the deal. What is more interesting, however, is the pocket of ambivalence in British Columbia where the public is evenly split on NAFTA, probably reflecting the mixed experience the province has had with lumber and the U.S. market. This suggests that people have very little tolerance for the costs of economic integration even in Canada. Like people everywhere, Canadians like things when they are going well and question them when they are not going well. We can expect that things might not go well for Canada under NAFTA in the future and as a result, we should be concerned about the future of public attitudes toward NAFTA in Canada.

As Alejandro Moreno said, we see in Mexico a support for free trade, but ambivalence about NAFTA. This mirrors public attitudes in the United States where people are theoretically free traders but have questions about NAFTA. This same ambivalence exists in Mexico and the United States about globalization. If you ask people if they support globalization without using the word globalization, they do support it, but if you use the term globalization, people are much more likely to question it.

I suggest to you that this distinction between theory and practice is terribly important because it is in people's everyday experiences that we will ultimately determine the public's posture toward a North American Community. And, to the extent that we can be hopeful, it is that people do derive a great deal of satisfaction and support for many things associated with globalization. When you talk about trade, greater investment, and cultural interchange, people seem to support those manifestations of globalization and North American integration.

We can get into a long and not very useful debate about whether the public's attitudes toward NAFTA and globalization are rational. But ultimately that does not matter so much. Politics will be determined by people's attitudes and how they vote and lobby, not necessarily based on the underlying data. And we have to grapple with the fact that NAFTA and the North American Community as a concept are dirty words politically, even if they are a driving force economically.

How we deal with North American problems is terribly important because it influences how we are perceived, as well as our ability to lead in North America and around the world.

The emergence of a North American consciousness will largely be the product of interaction around economic issues. This should come as little surprise.

The challenge we face is how to reconcile this ambivalence with the underlying reality that we all know exists. There is integration going on which will continue and may even accelerate depending on economic conditions. The dissonance between people's attitudes and economic realities can cause social and political unrest.

Ideally, we would have had a public dialogue in Canada, Mexico, and the United States before we launched NAFTA so that we could define what it was that we were about, what we hoped to achieve and accomplish. As you know, that is not how the first Bush administration decided to go forward. In fact, if you believe the stories that came out of the White House at the time, it was as haphazard a decision as one could make. I vividly remember the day it was announced, calling over to USTR, and nobody at an official level thought it was a good idea. But, Presidents get to decide—that is what they are elected to do. So we did not have that public dialogue and we are now faced with having to deal with the consequences. Instead, we created the economic framework for a North American Community before we thought through its implications. Now, we have to work out on the fly what we mean by that community, as we live it.

I do not want to sound like an economic determinist, but just as NAFTA originally had a largely economic motivation, I think the emergence of a North American consciousness will largely be the product of interaction around economic issues. This should come as little surprise. It is true that the original motivation for creation of the European Community was a high-minded desire to avoid World War III. But it was not until much later that we saw a growing consciousness among Europeans; people could be both European and German, or European and French. And that consciousness came at a time when we began to see a true single market and currency. It took time, time to mature that we have not had yet in North America. It also took a multiplicity of economic interactions and struggles. I might also note it took a number of predicted collapses of the European Community. Go back and read the various commentaries in the 1960s and 1970s, time and again people predicted that the European Community would fail, only on the verge of failure to have it pull itself together. We will face similar challenges. What will happen, for example, if Canada or Mexico elects a government that is an active opponent of NAFTA? Can they disentangle it if they choose? We have to anticipate that we will have problems ahead.

The lesson we should draw from the European experience is that public consciousness does not change for abstract reasons but as a product of interaction around real issues. And the problem we faced in North America was that we had a framework for a Community before we had the issues that

could drive our public consciousness. As Jeff Faux once said, NAFTA set us down a road, but it did not give us a map.

Now that is beginning to change. We are wrestling with a range of public policy problems that were once purely domestic in nature and we have yet to figure out how to think about them as North American. But we are engaged in them, and that is positive. Many of these issues are essentially regulatory in nature, but what is lacking is a single North American regulatory environment and a regulatory process.

An example is the highly controversial trucking issue, which is supposed to be resolved this summer. The Bush administration and the American business community wanted to fulfill the U.S. obligations under NAFTA and portrayed opponents as protectionist, especially the Teamsters, who did not want to open the U.S. market to Mexican competition. And they were protectionist, but it does not mean that the opponents were not raising an interesting issue about how we regulate this single transportation market in a way that raised rather than lowered safety standards and brought the public into this regulatory process in a way that would give what was decided more political support. It did not mean that we needed a single regulatory regime for trucks; we do not have a single regulatory regime for trucks in the United States. But we do have some underlying minimal standards across the United States and we need to develop a similar set of minimal standards in the North American Community.

We also have in the United States, what we lack in the North American Community, which is a system for public input. We have the Administrative Procedures Act in the United States that mandates public notification of a rule, making time for comment and review. This is a process which we will need in the North American Community. A common regulatory culture will also require a shared commitment to transparency and democratic process. Though we did not discuss the role of NGOs in the process of integration earlier today, they will become increasingly important. If they are denied access in creating rules and regulations, creating a North American Community will become much more difficult politically. A challenge we will face is granting the public access to the process of creating regulation. This will be complicated because we will not have a single regulatory mechanism. We will have three different ones with different regulatory values, and the question of giving Mexican citizens access to the U.S. regulatory process, for example, will be an issue.

A common regulatory environment is not a pie-in-the-sky vision. Differences can be overcome where the threats are great. We have to seize opportunities when they arise. Canadian, Mexican, and U.S. officials worked closely

We have the Administrative Procedures Act in the United States that mandates public notification of a rule, making time for comment and review. This is a process which we will need in the North American Community. A common regulatory culture will also require a shared commitment to transparency and democratic process.

We need to ask ourselves, what are the values we share and what are the differences we can tolerate?

together to keep the recent hoof-and-mouth disease outbreak from spreading to North America. Concerns about the safety of Mexican-grown strawberries led U.S. inspectors to work in Mexico with little regard to sovereignty because it was seen as in the interest of both U.S. consumers and Mexican strawberry growers. And under the Canada-U.S. Air Quality Agreement, we have agreed to reduce emissions in the United States and Ontario because it was in the interests of both entities. So we can think and act like North Americans when economic interests drive us to do so. One of the challenges we face is that we will have to articulate these issues for the public and politicians.

Sol Alinsky, the great community organizer of the 1960s, used to argue that you organized people where they were, not where you wanted them to be. In that context, we can agree that people are not at the point of believing in a North American Community yet. They still think and act as three separate entities. But they engage in their daily lives in new and different ways in issues that are really North American issues. Our challenge, as people that view the North American Community, is that we need to find issues that people are engaged in—whether they are trivial or dangerously provocative—and use them to move toward a broader North American consciousness.

For those of you, who like me, believe that one of the biggest challenges we face as a society is coming to terms with globalization and that NAFTA is how globalization will manifest itself in the day-to-day lives of many of our fellow citizens, then we must embrace the rough spots—the trucking issue, the lumber issue, the prescription drug problem, illegal immigration—and use these as teaching experiences, and ways to create a public dialogue about the meaning of becoming a true North American Community. We need to ask ourselves, what are the values we share and what are the differences we can tolerate.

This is how we will create a North American consciousness and a true North American Community. It will be forged in the heat of conflict, not through a rational discussion, as painful as that may be. It really cannot happen any other way. That is all right because it is an exhilarating challenge for us to engage in and it is a way to bring the globalization debate home.

DISCUSSION

Isabel Studer started the question period; she concurred with Stokes that ideas are needed before institutions are established and said that this could explain why some of NAFTA's institutions are seen as failing. Studer added that there are many positive things about NAFTA, and that Mexican opinion generally favors Chapter 11.

Ben Allen from the National Democratic Institute asked what role the Mexican-American community might play in the debate regarding the

development of a North American Community. Stokes responded that there is currently no particularly strong Hispanic voice in Congress on the issue. Another participant asked whether the Free Trade Area of the Americas (FTAA) would enhance North American cooperation and community. Stokes replied that he does not believe the FTAA will be finished by 2005, and that the cessation of discussions on the FTAA would be helpful in building a North American Community.

Asked why the European Union has demonstrated more of a willingness to bring up the poorer nations, and why the United States and Canada have been hesitant to offer support to Mexico, Stokes responded that the American public is against foreign aid because it believes that the government spends much more on foreign aid than it actually does. He suggested an interesting challenge would be to create an alternative, such as a mechanism to raise money in private capital markets, that would deliver a similar level of resources and would not involve governments.

Conclusion

Ideology, notions of sovereignty and identity, and how the three countries define what is in their national interest will shape as well as limit integration in North America. Americans are largely ambivalent about North American integration. There is a strong sense in the United States that popular sovereignty must be protected, especially in defining foreign policy. The current administration under George W. Bush is not interested in acting multilaterally. A lack of strong support for the North American Free Trade Agreement (NAFTA) among voters and the absence of any consciousness of integration explain why little attention has been paid to how an expanded North American Community might fit into the national agenda.

Mexicans view free trade positively and think that NAFTA has strengthened national identity. While some economic nationalism still exists in the country, most Mexicans support increased integration in North America. However, the majority of Mexicans favor a Free Trade Area of the Americas (FTAA) over an expanded North American Community.

Canadian identity can be difficult to define. Canadians value being different from Americans and have historically resisted integration with the United States to protect the Canadian way of life. The people of Quebec have been more open to integration, since they see the international stage as offering an opportunity to express their distinctiveness from the rest of Canada. The Canadian government currently supports a “two-speeds” model of integration, which would entail closer integration with the United States now, drawing Mexico in later. A lack of knowledge and understanding about Mexico means that it is difficult to include Mexico in discussions about North American integration.

Asymmetries have played and will continue to play an important role in North American integration. Economic inequalities help to explain Mexico’s enthusiasm for deeper integration, as well as the hesitancy of the Canadian and American governments toward trilateral integration.

There is also an asymmetry of power between the United States and its NAFTA partners. The United States is very important to the foreign policies of Mexico and Canada. With a stable North America and a truly global

foreign policy, the United States puts somewhat less emphasis on its relations with Canada and Mexico.

The Mexico-Canada relationship has grown substantially in the last decade, and Mexico and Canada should continue to work on developing a more strategic relationship. More knowledge is needed in Canada about Mexico and in Mexico about Canada. Exchanges among government and civil society could help mend the “knowledge gap.”

The creation of a North American Community is linked to how we in North America adapt to globalization. Public dialogue and consultations on increased integration with civil society are needed in and among the three countries. North American integration will entail finding common areas of interest. The United States does indeed have a stake in the North American Community. Bruce Stokes held that how the United States deals with integration and problems in North America will influence its ability to lead around the world.

Panelists suggested that a North American Community and consciousness will most likely develop out of economic relationships. How the citizens of United States, Mexico, and Canada define identity and sovereignty, though, will dictate the extent of these relationships.

Chapter 11: A controversial provision for the settlement of investment disputes in the North American Free Trade Agreement (NAFTA), which allows investors in the United States, Canada, and Mexico to challenge public laws in front of tribunals. Decisions of the tribunal must be enforced in domestic courts.

Free Trade Area of the Americas (FTAA): A single free trade agreement that 34 democratic countries in the Western Hemisphere are currently negotiating. Initiated at the 1994 Summit of the Americas, the FTAA would integrate the economies of the Western Hemisphere and eliminate barriers to trade and investment. The target date to complete FTAA negotiations is 2005.

North American Free Trade Agreement (NAFTA): An agreement between the United States, Mexico, and Canada, signed in 1994, which encourages free trade between the three countries by decreasing trade barriers.

NAFTA plus: An idea first proposed by Mexican President Vicente Fox, which would further integrate the United States, Mexico, and Canada into an arrangement similar to the European Union, and expand NAFTA beyond just trade. Fox's vision of a "NAFTA plus" includes agreements on immigration, labor rights, and a development fund.

Reciprocity: A mutual or cooperative exchange of favors, especially the interchange of privileges of trade between nations. In this context, reciprocity refers to a free trade agreement signed between Canada and the United States in 1854, which lapsed in 1866. It was revised in 1911 by President Taft, and supported by Prime Minister Laurier, who campaigned on the issue but lost the election.

Conference Agenda

TOWARD A NORTH AMERICAN COMMUNITY?

Woodrow Wilson International Center for Scholars

June 11, 2002

Time	Topic
9:00 a.m.	Welcome
9:15 a.m.	Changing Identity in Canada, Mexico and the United States? Stephanie R. Golob, Baruch College, City University of New York Laura Macdonald, Carleton University (Ottawa) Alejandro Morena, <i>Reforma</i> (Mexico City) Moderator: Jeffrey Heynen, Policy Research Initiative (Ottawa)
10:45 a.m.	Break
11:00 a.m.	Mexico and Canada, an Emerging Relationship? Isabel Studer, Facultad Latinoamericana de Ciencias Sociales (FLACSO-Mexico City) Stacey Wilson-Forsberg, Canadian Foundation for the Americas (FOCAL-Ottawa) Moderator: Carol Wise, Johns Hopkins University, School of Advanced International Studies
12:00 p.m.	Lunch Speaker Bruce Stokes, Columnist, <i>National Journal</i>

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