

Harvey T. Reid Biennial Lecture,  
Acadia University,  
September 25, 2003

## Uncle Sam and Us: Global Terrorism, Neomilitarism and the Canadian Fate

“Nine Eleven” is not an expression to be found in my copy of what I call the Sheila Coppins dictionary – Oxford University Press’s maple-leaf-wrapped contribution to resolving our national identity crisis. If they used to mean anything, these two numbers put side by side were what you taught your children to dial in case an emergency required the services of an ambulance, fire fighters, or police. Written with a slash between them in this country, the two numbers juxtaposed usually mean the ninth day of November. But given the power of American culture, “9/11” now means only one thing, a U.S. – therefore a global -- disaster that happened on September 11, two years ago. And given the power of the United States, a disaster that changed America may be assumed to have changed the world. And even if it didn’t change the whole world, it must surely have changed the Siamese twin called Canada that is linked at the neck, the biceps, the stomach, and even the heart to the hemispheric giant.

In this text I would like to explore the implications of “9/11” -- or, if you prefer, 11/9 -- for Canada, which means its implications for Canada’s relationship to Uncle Sam. To do this, we first need to sort out what was new and what was not about the events of that momentous morning.

Not new was *terrorism*, a phenomenon as old as the perception of political oppression by the militantly aggrieved. *Global terrorism* had been a frightening reality to air travellers for two decades. Even *global terrorism aimed at American targets* was well established as several U.S. embassies had been destroyed in Africa and even an American military barracks devastated in Beirut.

What was new about the attacks was the United States’ humiliation in having its own civilian airplanes used as missiles guided by Osama bin Laden’s adepts who were admitted to the country by the Immigration and Nationalization Service (INS.), having slipped through the fingers of the Central Intelligence Agency (CIA), and then enrolled at pay-as-you-learn flying schools, where their noted disinterest in mastering take-offs or landings failed to alert the Federal Bureau of Investigation (FBI) to what they were perpetrating.

New, too, was the scope of the attacks which constituted a dazzling technological blow to

the solar plexus of the world's only hyperpower. The incineration of New York's World Trade Center (site of American global financial power), the destruction at the Pentagon (headquarters for American global military might), and the near miss on Congress or the White House (control centres of American global hegemony) was not just a feat whose symbolism reverberated round all corners of the earth. More important for my analysis, it had a transformative impact on the American public, who finally realized that even the United States was vulnerable to the darker sides of globalization.

This seismic shift in American consciousness presented the Bush administration with the opportunity to effect a radical shift in the U.S. government's policy hierarchy and implement an agenda they would not have dared to articulate beforehand. Having spent eight months in the White House, where his daily high point seemed to be his work-out in the gym, George W. Bush was foundering politically without a clear plan to implement his neoconservative supporters' beliefs. In these doldrums, Osama Bin Laden offered a gift from Allah to Bush who suddenly had the mother of all wedge issues – an incontestable security rationale for bolstering the state's police power at home and remilitarizing American policy abroad. With national security legitimating its unilateralist proclivities under the overarching slogan of a new war against terrorism, a militantly neo-conservative White House constructed "9/11" as the opening salvo of World War IV – the last one on communism, this one on terrorism.

This cowboy who couldn't ride a horse could now play Gregory Peck on the stage of the real world. The Bible Belt simplicities and manichean pronouncements – defeat evil, dead or alive, smoke 'em out, bring them on – connected those in law-and-order white America (who agreed all would be well if they could only get together a posse and hunt down the bad guys), to the brains of the Republican far right (who wanted to entrench American control around the world) and even to the Christian fundamentalists (who supported Israel against Palestine because it would be the site of the Second Coming). Seizing the opportunity, Bush declared war, using a rhetoric polished by his speech writer's talent for mixing biblical and Western messages into a discourse of freedom and liberty.

Of most immediate importance to Americans were the three types of measures taken inside the United States:

- Preparation: monies allocated to improve the resources of first responders.
- Detection: new laws such as the Patriot Act to increase police powers of investigation and detention and to contain the rights of those suspected of links to terrorist groups.
- Reorganization: regrouping the security institutions within the American government into a mega-Department of Homeland Security.

Of greatest importance to Canadians were the steps Washington took to strengthen its

home defences and pursue its enemies abroad.

## I Canada's Responses

If it was the American public's consciousness of terrorism and the U.S. government's reaction to it that was new, what was new for Canadians was less the drama of the tragedy itself than the agenda created by the U.S. government's construction of that drama. Most directly impacting on Canada were three types of measures:

- Prevention: the measures the United States took to prevent terrorists entering the country.
- Retribution: war on Al-Qaeda and its protector, the Taliban government of Afghanistan.
- Pre-emption: war on Iraq to change the Saddam Hussein regime and reconstruct the Middle East.

### 1. Prevention: Border Security

In the first days of the disaster, the default American position was "blame Canada." The former American ambassador to the UN, Richard Holbrooke, had once famously called Canada a "Club Med for terrorists," and the recently anointed Senator Hilary Clinton told the press, with her usual know-it-all self-assurance, that all nineteen terrorists had come through Canada, presumably sporting Roots shoes.

The message for the continent from the American blockade of its land borders for over 24 hours was explicit: "security trumps trade." The new security paradigm suddenly and without apology contradicted the whole thrust of two decades' worth of Washington-led neoconservative liberalization designed to cut back the nation state, deregulate its controls over business, and liberate market forces so as to integrate the three nations of North America into one continental market. Having been applying the principle of just-in-time production systems across the continent, business screamed and business associations scrambled to give advice to governments on both sides of the border.

Cooler second thoughts put the alleged danger that Canada represented into some perspective.

- For starters, unless the American economy was suddenly to be made autarchic and sealed off from international trade and investment, total security had to be recognized as impossible to achieve. All travelers and all containers coming into the United States could not be thoroughly checked without strangling commerce. A more sophisticated risk analysis was needed, so that security resources were devoted to scrutinizing those people and goods with the highest risk while facilitating the passage of the low-risk, economically essential traffic.
- Furthermore, the U.S. border could not be understood as contiguity with its territorial

neighbours. It existed not just along the 49<sup>th</sup> parallel and at Canadian sea- and airports, but at every other sea- and airport in the world from which goods and people might be embarking for the United States. It would be foolish to concentrate on the former at the expense of the latter.

- Thirdly, to the extent that security against sabotage was a matter for police work, the solution required transnational cooperation of intelligence and police forces in every country, so that immigration and customs officials had reliable information about the people and goods proposing to enter Canadian space.

- Lastly, because terror had been on the international agenda for a considerable period of time, in parallel with efforts to control international organized crime and narco traffic, myriad conventions and treaties had already been signed to tighten security measures. Much of the problem with existing counter-terrorism capacity had to do with matters of implementation. Many systems already in place simply needed strengthening with more resources.

In this context Canada was only one of many partners with whom the U.S. had to deal and was quite patently less of a problem than most because of the already high standards of its public sector's bureaucratic capacity. The crucial reality was a shared sense of threat from terrorism which fostered a consensus among officials, politicians, and public about the need for greater control over terrorists.

Although how to satisfy Uncle Sam about his security was suddenly the overriding priority, the crisis had weak legs. The fact was that for years before September 11<sup>th</sup> Ottawa had been trying to get Uncle Sam to focus on the needs of a badly blocked Canadian border. After September 11, when Washington's attention had become Canada's major threat, the federal government sprang into action, hastening to do everything it could to reassure Uncle Sam that his northern border was secure. Initially, it appeared that Canada was going to have to harmonize to American standards its policies whether on policing or intelligence, border control or money laundering – or else it might lose that CUFTA- and NAFTA-sanctioned access for which it had paid so dearly ten years before.

On reflection, across-the-board harmonization made little sense to either side. There was little point harmonizing practices of the Canadian Security and Intelligence Service to the flawed standards of the FBI or CIA, which had permitted the atrocity to happen in the first place. Harmonizing to such other American policy standards as gun controls would decrease, not increase Canadian security:

So Ottawa addressed the question of border prevention with impressive dispatch.

- Institutionally, the Prime Minister established a special Cabinet committee to coordinate action on all border security issues and so show the seriousness of Canada's resolve.
- Personally, John Manley, the Cabinet minister with whom the Bush administration was the most comfortable, was put in charge of this special committee by Jean Chretien.
- Unilaterally, the government proceeded to beef up immigration legislation, tighten provisions on laundering funds.
- Financially, it committed some \$7 billion over five years to pay for hiring more officials and making substantial improvements of infrastructure and technology at the border.
- Bilaterally, it negotiated with Washington a number of accords, including most prominently the Thirty-Point Smart Border Agreement.

In short, already by Christmas of 2001, the border weaknesses had been identified, policies had been adjusted, negotiations with the United States had been concluded, and the crisis was being resolved.

## 2. Retribution: the war against the Taliban.

If Washington's first reaction had been to close down the border and its air ways, its second set of responses was to get mad and get even. Playing on the ambiguity of a "war on terror", the Bush administration militarized the terrorist threat by declaring not just a vendetta against Al Qaeda but actual war on Afghanistan, the state which sheltered it. To support an American war aimed at destroying the government in Kabul, whose ferocious fundamentalism had made the Taliban an outcast regime reviled around the world, Colin Powell had no difficulty assembling a coalition of the willing.

Canada was willing, because here, too, a consensus supported the American view. The conditions of the previous Cold-War military relationship seemed to have been recreated overnight. The same general principle of a common threat involving a global struggle between evil and good led by Washington thrust Canada into its familiar butter-for-guns role. Ottawa did its best to be supportive so that the U.S. government would keep its market open to Canadian producers.

It may have taken Jean Chretien several months to make the decision, but Ottawa did send 750 soldiers from the Princess Patricia's to fight for the Americans there. Of course there were reasons to be skeptical about his motivations. Canadian troops could have found a more valuable role taking on the difficult process of reconstruction, but he wanted to show the Bushites that Canada was reliable. Putting troops under U.S. command made them unwilling violators of the Geneva convention on the handling of prisoners of war. And the Canadian soldiers' high level of interoperability with their American command structure, they were nevertheless fodder for "friendly" cannon fire.

The broad coalition behind the tactical assault on Afghanistan did not survive 2002, because it became clear that the U.S. had no coherent strategy. However smart its bombs, its capacity to drive the Taliban from Kabul and replace it with a friendly administration did not amount to bestowing on Afghanistan the delights of democracy. As the warlords regained control of most of the country, opium production went back into full production, and the Taliban demonstrated its capacity to threaten the new provisional government and prevent the country's reconstruction, international support for the U.S. administration's approach wavered.

### 3. Pre-emption: War on Iraq

To this point the United States' reaction had been predictable both at home and abroad. Even if the Americans had got as president the candidate who had won the most votes the previous year, Al Gore would have done much the same as Bush. Creating a mega-department to integrate the security functions of the federal government was a Democratic policy. As leader of a superpower, Gore would have done little different with the military in Afghanistan. But as we know, the story does not stop in the Himalayas, because those in power in the White House -- arguably the most extreme administration in U. S. history -- had been nursing another, if unrelated agenda, get rid of Saddam Hussein.

The administration's rationale was a mix of finishing off the unfinished job from George Bush I's Gulf War of 1991, securing the energy base for the U.S. economy, and redesigning the Middle East in America's image to make the world safe for Israel and U.S. transnational corporations. The logic did not convince its would-be allies. No evidence convincingly connected Al Qaeda to Saddam Hussein. As suggested by the UN's weapons inspections and confirmed subsequently, weapons of mass destruction were not ready to devastate America. Pre-emption as a doctrine with Washington getting to define who was evil, and what was the threat did more to scare than reassure other countries who might one day be labeled evil. Furthermore, the solution -- a war against an Arab leader -- could aggravate, not mitigate, the threat to all countries of Islamic terrorism.

Although it was "old" Europe's resistance which captivated the media, Canada's resistance to Washington's drive to war in Iraq was more remarkable, given the enormous pressure coming from the Canadian business community to appease the Bushites at any cost and given Chretien's instinctive caution.

Considering Vincente Fox's more explicit conservatism, his gubernatorial intimacy with Governor Bush in the 1990s, and these *dos amigos'* agreement on September 6, 2001 to tackle the long-festering issue of undocumented Mexicans who had illegally immigrated

into the U.S., it was even more remarkable to witness Mexico refusing Washington its support on the Security Council where it had a temporary seat. Quite astonishing was a new axis of the periphery in which Chretien huddled with Fox in Mexico City from where he phoned President Vargas of Chile in an effort to slow down the Rumsfeld, Wolfowitz, Cheney steamroller at the United Nations.

The two countries most dependent on the United States for their well being had rejected Washington's prime objective. The White House was angry. Ambassador Cellucci was "disappointed." Canadian-American relations at the summit seemed obviously at a nadir. But were they?

## II Redesigning the Continental Architecture

When this question was raised at a caucus meeting near the second anniversary of "9/11", Jean Chrétien is reported to have said defiantly, "Canadian-American relations don't need fixing". He received a standing ovation from the assembled Liberal ministers, senators, and backbenchers.

Had the same prime minister made the same defiant statement in front of the Canadian Council of Chief Executives, he would not have elicited the same enthusiastic response. Seen from the country's boardrooms, Canadian-American relations were in urgent need of fixing. Since much of the animus between 24 Sussex Drive and 1600 Pennsylvania Avenue had a personal rather than a political basis, replacing one prime ministerial face with another of the same ideological disposition could be expected to restore smiles in both the Oval Office and the Prime Ministers Office. When the spirit of history finally moved the Liberal Party to invest its longest-waiting dauphin, Paul Martin, with the sceptre of power, the frost surrounding the Canadian embassy in Washington did melt.

But the restoration of official harmony at the top could not address Canadian business' real concerns. Until it had secure access to the market on which 90 per cent of its exports depend it would never sleep soundly. And whatever their own propaganda about the glories of the Canada-United States Free Trade Agreement (CUFTA, 1989) and the North American Free Trade Agreement (NAFTA, 1994) may have been, Canadian companies were far from achieving security for their exports into a still-protectionist America. After NAFTA showed that Canadian-American integration was far less complete than its proponents had been trying to achieve, business leaders, business think tanks, and policy analysts with an integrationist bent had been proposing various measures to achieve what the European Union (EU) called "an ever-growing union.". After "9/11", access had become even less secure, because the threat of another blockade remained a credible possibility should another terrorist coup occur, particularly if Canada were involved as a

site or pathway for launching the sabotage. And the merest possibility of border problems discouraged potential investors from locating in Canada.

Integrationists maintained that under the new security paradigm, the only way to guarantee Canadian economic access to the American market was through finally achieving a complete union in which the economic border – or what remained off it – was completely erased and Americans assured that Canada would contribute to, rather than undermine, their security against attacks of any kind.

Eliminating the Canadian border as a concern for the Americans required action both on the traditional economic issues and on the security front.

### **A. Economic Union**

Not all advocates agreed on the which measures were the most important to take, but the various proposals can be considered in order of the ease of their achievement

#### *1. Continental trade court*

Quite apart from the legitimate critique that can be made of each of NAFTA's particular dispute-settlement mechanisms, their common flaws -- ad hocery, lack of precedential value of their rulings, impermanence of their membership -- all contributed to diminish their value to plaintiffs and defendants alike. Establishing a permanent court with long-serving jurists could raise the legitimacy and so the utility of dispute resolution among the three NAFTA parties. While sovereigntists in each country would raise questions about the conflict between a continental trade court and their constitutions's supremacy, the idea seems sound, wherever one may be on the policy spectrum concerning economic integration in the continent.

#### *2. Continental energy plan*

Where a continental market already exists as is the case for the integration of the Canadian petroleum sector with that of the United States, creating a continental energy plan for the future appeared a no-brainer. If, on the other hand, still more intense integration in various energy markets is contemplated, the roadmap to follow would be complicated.

- Petroleum can hardly be integrated much more as long as Mexico's defends Article 27 of its constitution which keeps oil and natural gas in the public domain.

- Electricity can be further integrated across national boundaries, but, as Quebeckers were reminded on August 14, 2003, when the rest of eastern North America was hit by a power blackout, there are considerable advantages to sovereignty-association, at least when it comes to a provincial hydro system not being fully integrated.

Continental energy integration has been driven by relentless pressure coming from Washington for its neighbors to boost their supply of energy to the U.S. market by



privatizing and deregulating their market monopolies. Following the California brownouts and Enron's collapse, this approach has come into question, so that the attractiveness of the CCCE's proposed continental energy pact has dimmed.

### *3. Common external tariff*

An obvious way to erase the Canadian-American border economically speaking is to do away with customs officials who are still needed under NAFTA to check whether the goods crossing the national boundary qualify for tariff-free passage under the agreements' rules of origin that specify how much North American value added a good must have. Schemes to achieve a customs-less border require not just zero tariffs between the trading partners but a common external tariff (CET) facing goods coming into the joint economic space. Easier said than done. Some of the questions raised by a CET are:

- How to achieve a single tariff on goods coming from a country with which each partner has a different trade agreement?
- Since Canada and the United States have a largely integrated space with Mexico, a CET just for Canadian-American trade would be very difficult to do. Yet negotiations at the NAFTA level would be extraordinarily complicated since, for instance, Mexico has signed trade agreements of its own with many other countries and economic regions, such as the EU.
- In the case of Cuba, there are ideological as well as the regular political and economic issues. Would the United States agree to abandon its Helms-Burton legislation and accept Canada's and Mexico's more benign view of trade with this communist relic?
- Quite apart from what decisions are made, there lies the far more intractable issue of how these decisions would be made. Since no set of rules is ever final, how would changes be made in the future? If there were to be a common tariff-setting body, would each member have one vote or would voting muscle be proportional to population or economic strength? If the latter, Canada's vote would be completely insignificant in determining issues that could seriously affect its well being and reverse an important tenet of its foreign policy.

### *4. Currency union*

No less problematic are the proposals regularly made by some economists for whom a common currency with the United States constitutes the magic bullet for fixing Canadian productivity growth rates and catapulting the Canadian economy into a new orbit of ever-growing prosperity. The problems are substantial, both in terms of rationale and in terms of institutional application.

- Rationale. For years Canadian economists have been riven by the same debate that Sweden recently re-ran about whether the country is better off to fix its currency to that of its dominant partner. Currency fixers maintain that transaction costs would be saved and lazy Canadian entrepreneurs would be forced to compete or collapse, no longer propped

up by a cheap currency that gives them an undeserved and ultimately debilitating trading advantage. Currency floaters insist that exchange-rate flexibility gives Canada a shock absorber that allows the Bank of Canada – within very real constraints – to fine-tune an economy, which, with its still excessive dependence on staple exports, responds to changes in the terms of trade at a different rhythm and with different needs from that of the United States.

-Institutional application. The constitution of a North American Monetary Union with some kind of continental bank is bound to be problematic, given the United States' very real and very understandable desire to maintain sovereign control over its own economic levers. Hardly imaginable in the present international conjuncture or indeed the present ideological conjuncture is Washington allowing Canadian, and presumably, Mexican central bankers a voice over policy that would directly affect the American economy.

### *5. Labour mobility*

Given current demographic realities in Mexico, where poverty has been pushing hundreds of thousands of *campesinos* off farmland because they cannot compete with a sixteen-fold increase of U.S.-subsidized corn imports, the labour mobility on which a common market would be premised is as easy to conceive as it would be difficult for the U.S. Congress to approve. Even legalizing the undocumented Mexicans workers, who provide the American economy the Third-World labour it needs, is a daunting political project. Achieving Canadian-American labour mobility would be much less difficult, but attitudes on either side of the 49<sup>th</sup> parallel to unrestricted immigration from the other country are not conducive to more than marginal changes of the kind included in NAFTA that allow transnational corporations to move their personnel more easily around the continent.

## B. Military Union

Erasing the border for the passage of goods only deals with half of Uncle Sam's security problem, for he is as much concerned with preventing the arrival of the terrorists who would use chemical, biological, nuclear, or conventional weapons as with stopping the items themselves. In other words, a continental customs perimeter may have value for transnational continental corporations, but would not resolve security concerns unless it dealt with the passage of people. And since security bears the double meaning of safety in the face of domestic sabotage and defence against military attack from abroad there are two sides to security's North American coinage.

### *1. Continental security perimeter.*

This continental vision raises no fewer questions for policy makers than does its customs counterpart.

-Immigration rules. Would norms need to be identical in Canada, the United States, and

- Mexico, or would each country be satisfied with recognizing those of the other?
- Would Washington be satisfied with Canadian officials securing their perimeter or would it insist that American personnel replace Canadian officials in air- and seaports to guarantee its security? But would Canadians feel less secure if their safety depended on the American security systems that let nineteen terrorists hijack those four civilian aircraft on September 11?
  - And how would the common continental perimeter be defined? If it was merely territorial North America, then it would involve the coastlines and the arrival points, that is the ports and airports of the partners such as Halifax, where cargoes and passengers embarked for other NAFTA destinations? Could the perimeter more practically be defined as the air- and seaports abroad from which and at which passengers and goods embarked for their North American destinations?
  - Would the United States have to have its own personnel monitoring the application of Canadian visa requirements before passengers boarded Air Canada flight from Paris or Tokyo?
  - If counter-terrorism were seen to be a matter for police and counterintelligence, our many queries could be left here. But the global hegemon defines security more in military than in police terms.

## *2. Military integration*

At first glance, devising military means to attack terrorism appears a complete non-starter since trying to fight suicide bombers with tanks makes little sense. It also appears something of a non-issue because of the already high levels of naval and air force integration between Canada and United States. In addition, true continental military integration appears a virtual impossibility because of Mexico's institutional incapacity to integrate its forces in the foreseeable future.

At second glance, military integration becomes a more serious and pressing issue, simply because Secretary of Defense Donald Rumsfeld managed to define security against terror militarily, deftly eliding counter-terrorism with the Pentagon's already well-advanced program to weaponize an already militarized space with the Star Wars project, now renamed National Missile Defense (NMD).

Strong arguments have been made that Canada should not support NMD either morally or financially but should articulate a separate, more meaningful role for its own military. Far from being pacifist, this position argues that the security issues in the world – including counter-terrorism -- make traditional peace-keeping, peace-maintenance, or peace-building more appropriate for a country that sees itself playing a somewhat autonomous role in the world. The alternative prospect of integrating in Northern Command is certainly more attractive to our armed forces, since, on the presumption of

inter-operability and a significantly increased budget, they would get to play war games with the grownups.

However tangential to the economic agenda of Canada's continentalists, it nevertheless seems much more likely that military integration will happen before their proposals for economic integration are realized. NMD may be foolish, because it is not technologically viable, because it will provoke an arms race with China, because it is an obscene waste of resources, and because it will increase global insecurity, but this does not mean Canada will resist. To protect its junior-partner status within NORAD, Paul Martin is likely to make a gesture that will provide him with high credit in the White House at very low immediate budgetary cost.

Objections have always been made to every proposal for change. That there are problems inherent in each of these ideas to move towards greater continental integration does not mean that they will not happen in one form or another. But the form that has attracted the most interest is that most of them be packaged together and offered to Uncle Sam as one Big Idea.

### III One Big Bang or Many Small Ones?

The debate about what should change in Canada's strategic position in North America has been enriched by a lively tactical discussion over how it should proceed.

#### A. The Big Idea

Wendy Dobson's proposal made through the C.D. Howe Institute was based on the tactical premise that it would take a major initiative even to catch the attention of Washington law makers who are obsessed with their war on terrorism. If Canada wants to eradicate the basis for its vulnerability to U.S. border closures -- goes this logic -- not only must the individual elements of the continental economic union be put in place, but they must be done through arousing the excitement of the American political class to the possibility of achieving a greater economic union with Canada.

Since this argument is speculative, so must be its critique in terms of the politics of the countries involved.

#### *1. The United States*

The first problem is that Canadians cannot assume that what they propose in offering Uncle Sam a strategic bargain is the same as what the Americans would be thinking when responding to the initiative. Twice in the last twenty years, Canadians have sent delegations to Washington, proposing a "big idea" to secure the access for their exporters

to the U.S. market, that is the end of U.S. trade harassment. Each time the Americans have responded by pulling out of their desk drawers a list of “irritants” they wanted resolved as the precondition for addressing the Canadian scheme. Since what is an irritant in an American negotiator’s eye is a policy that helps a Canadian compete in the U.S. market, negotiations end up requiring Canada to give way on one targeted practice after another, however necessary it may be for a particular economic sector’s or region’s survival. Although there are very few such irritants left after the negotiation of CUFTA, NAFTA, and the World Trade Organization, there is still the Canada Wheat Board which gives western farmers some muscle on world markets. There are still the various marketing boards that provide price support to Canadian farmers in central and eastern Canada. There are still Canadian content rules on radio and television. There is still the system of business-government relations known as Québec, Inc. The point is that when the Big Idea has gone through a negotiating process in which getting persistent lobbyists off their back is what drives U.S. trade officials, Canadians might find it had secured less Canadian access to the U.S. market than greater U.S. control over the Canadian market.

## *2. Mexico*

Woven through all the proposals that have come from the business community and its organic intellectuals is a thread of ambiguity about what they mean by “North America”. Is it the old bilateral Canadian-American relationship they thought they had fixed for ever with the Canada-United States Free Trade Agreement? Or is it the new trilateral Canadian-American-Mexican relationship created by NAFTA? One could not set up a continental trade tribunal unless it was for the new North America. It would be very difficult to create a North American Monetary Union worth bothering about without Mexico City participating.

Nostalgia for their special Canada-U.S. relationship in the face of Mexico’s obvious presence has led many advocates of these ideas to take a leaf from Europe’s discourse if not its reality and talk of a “two-speed” North America in which Canada and the United States would proceed to negotiate new norms, while leaving Mexico to sign on when it is able and willing. While such variable-speed geometry sounds plausible for the day-to-day negotiations between the U.S. and its two neighbors on nuts-and-bolts issues, it is highly implausible for any ambitious plan that would require congressional ratification or implementation.

There may well be as many citizens in the United States with genetic connections to Canada as there are Mexican Americans, but they are not visible, they do not identify themselves as Canadian and they do not vote as such within the U.S. political system. By contrast, Mexican Americans who amount to eight out of about twenty million Hispanic Americans – now greater in number than all black Americans combined – are visible,

self-identify, and vote, sometimes very conscious of their split identity. All this means that Congress is extremely unlikely to accept changes affecting Canada without requiring that the same changes apply to Mexico. And even if Congress were to approve, Mexico itself could formally object to any arrangement being made with Canada that might jeopardize some of the gains for which it “paid” in 1993.

### 3. *Canada*

A further problem with the Big-Idea proposals is how they might be institutionalized. All business advocates reject the model of the elaborate superstructure built up in Europe over the years as fifteen – soon twenty-five – states learned how to exchange parts of their sovereignty for the advantages of collective action at the continental level. But if the EU model is rejected, repeating NAFTA’s experience would simply create new stillborn agreements – a set of rules, but with no institutional capacity to adjust to change.

Once a decision is made to establish an institution, the question arises how to reconcile American dominance with autonomy for the two peripheral partners. The CCCE’s Tom d’Aquino has offered as a possible model the International Joint Commission (IJC) which has managed Canadian-American boundary waters with considerable success for 94 years. But the IJC is a parity-based, practically supranational organization. There is no chance any more that the United States would accept a trilateral, supranational North American Central Bank which permitted Canada plus Mexico to outvote it on crucial issues of monetary or trade policy.

In sum, the difficulties inherent in the individual proposals are considerable. Lumping them together and labeling the product a new “community of law” has raised more questions than it has answered.

### B. Integration by Small Ideas

Just because the Big Idea may be politically impractical does not mean that the bulk of its components will not be implemented eventually. Indeed, the Conference Board’s response to its rival, the C.D.Howe Institute, advised this very approach. Issues between Canada and the United States should be handled incrementally for a number of reasons, it argued.

- It is better to resolve issues among professionals behind closed doors and without involving Congress if one wants to “move forward,” to use the cliché of our decade. For as soon as Congress is involved, so is Mexico. And if Canada is to look after its own interests in Washington, more will get done, with fewer complications, if they are managed item by item in a journeyman’s, technocratic way.
- Canada is more likely to come out of negotiations having achieved its objective if it operates case-by-case, since it can then focus its resources, and so offset the inherent

asymmetry in the power relationship

- Practically speaking, then, incrementalism can operate a variable-speed North America by keeping issues below the radar screen and keeping Mexico away from the Canadian negotiating table.

But the Conference Board's incrementalism is more than a method. It is also a program. For included in the issues that it feels can be negotiated bit by bit are the regulations in the two countries that discourage trade and investment, thus constituting candidates for elimination. Since such measures that arguably discourage foreign investment -- and therefore trade -- regulate telecommunications, financial institutions, health services, and education, massive parts of the Canadian regulatory system and the public domain it has created and sustained are thus put on the agenda for negotiation one by one. And if harmonization is to take place between Canada and American rules, the likelihood of U.S. practices being harmonized to Canadian standards is dim to say the least.

## Conclusion

What then has been the impact of "9/11"?

- While the fall-out from its tragedy made the Bush administration aware that Canada existed, this recognition did not mean that it liked what it saw. Indeed, Washington's expectations of unquestioned support were bitterly disappointed.

- "9/11" brought home not just the dark side of globalization in the dexterity of globally organized anti-western fanaticism, but the dark side of NAFTA, because it showed how great was Canada's vulnerability to American security concerns and proved that Canada had less power than before free trade to find solutions of its own. Either it satisfied Washington that its border was adequately secure or the border itself could be closed again.

- Once the toxic dust from the two towers had settled, it became clear that, without institutions through which to deal collegially with the new policy problems, North America had no capacity for governance but remained a hegemon with its two dependent peripheries.

- In the process of responding to a unilateralist Uncle Sam proposing pre-emption à la carte, the two peripheries discovered some security in each other's support.

Some see in this present reality scenarios for ever-increasing integration. Prophecies of doom predicting the end of Canada, having made a strong case that the country has lost control of its economy and culture. But this case was made just as persuasively a century ago by Samuel Moffett in his extraordinary book, *The Americanization of Canada* published in 1907. In this sociological-cum-cultural treatise, Moffett identified the many factors, from technology through urbanization, that were bringing the benighted Canadian

ex-colony into the progressive arms of a democratic and imperialist America.

The only fly in Moffett's ointment was a certain "spirit of nationality" that somehow set up barriers to the triumph of Manifest Destiny. Beyond the nationalism and the persisting differences between Canadian and American values, the three countries' different institutions perpetuate themselves and their different cultures. However similar in many respects, because they share European roots, North Americans have managed to create differences that continue to offset their centripetal tendencies. The year 2003 alone added the legalization of marijuana and same-sex marriages to a list that continues to grow.

To bring this analysis to a conclusion, let me make one more distinction in a subject prone to enormous imprecision and as a result, to confused thinking. In our quite reasonable concerns about how these two countries get on, for better or worse, we need to distinguish between Canadian-American *relations* and the Canadian-American *relationship*.

1. Consider the Canadian-American relationship as the basic structures that have evolved over the decades to organize the multitudinous transactions that take place between the two interlocked countries.

- Systems have been set up, for instance, to manage the ecosystems that are bisected by the 49<sup>th</sup> parallel. The IJC is a bilateral organization that has been managing problems of shared rivers and lakes since 1909. The Great Lakes Water Quality Agreement established a régime for saving this endangered resource crucial to scores of millions of North Americans.

- As cause and effect of over a century's worth of capital flowing freely between the two countries, corporations have located their head offices, facilities for production and distribution, and research centres on both sides of the border, structuring their very own Canadian-American relationship at the micro level of the firm.

- From before World War II through the Cold War, the Canadian-American military relationship evolved hundreds of agreements on issues both large (the North America Aerospace Defense Command – NORAD) and small (the detailed specifications for ammunition to make troops in both military services interoperable in action).

2. If the Canadian-American relationship is a function of formal and informal structures established over time, Canadian-American relations consist of the daily interactions between the actors staffing those structures. We are generally told that Canadian-American relations are "good" if they are free of conflict, but are "bad" if one side is mad at the other. Somewhat less subjectively, we could say that relations are deemed good when interests and attitudes on both sides of the border are congruent but bad, if there are differences of view on issues considered vital by one side or if another has a grievance that it is nursing.



It is worth remembering that, in the 1930s, the Canadian left was pro-American because FDR was far more progressive with his New Deal than Prime Minister R.B. Bennett, and Communist trade union organizers appealed to their Detroit comrades in the United Auto Workers to help them organize their strike against General Motors in 1937. For similar but opposite reasons, the Canadian business community was anti-American.

3. There is a dialectic dynamic linking the relationship with its relations. The relationship will largely determine relations in the sense that Canada's staple-exporting economy structured by U.S.-owned branch plants generated attitudes we can qualify as deferential. The military relationship of the Cold War, in which the United States needed Canada's cooperation as the ham in the sandwich between itself and the Soviet Union, put limits on the extent to which Lyndon Baines Johnson could bully Lester Bowles Pearson. With the military relationship de-structured at the end of the Soviet threat, there was less need in Washington to treat its northern periphery diplomatically.

Changed relations can also restructure the relationship. Brian Mulroney's warm friendship with Ronald Reagan produced a Free Trade Agreement that John Turner would not likely have negotiated, let alone signed. The point is that changed relations can change the relationship, and a changed relationship can change the relations.

Returning to the present, we can say that Canadian-American relations are likely to improve noticeably despite the presence in the White House of the most extreme and intolerant administration that Canadians have experienced for a hundred years. If re-elected in 2004, George W. Bush and his team will keep Canada under pressure to conform and to contribute. And with Paul Martin as prime minister anxious to please his interlocutors, it is highly likely that relations at the top will be smoothed over and remain cordial.

As for the relationship between the two countries, it remains highly structured by formal and informally established practices which will not change quickly but will necessarily change over time. Whether they change in ways that are good for Canada, good for Mexico, good for the United States, and even good for North America remains to be seen. Neither complete continental integration nor continuing national autonomy is inevitable. Political struggles will determine outcomes, as will the leadership that either responds to or

directs them.

Co-operation in working out problems -- small, medium, and large -- can be advantageous or harmful. Small: government-to-government collaboration to improve screening mechanisms for detecting potential terrorist actions can be expected to continue. Medium: one example of co-operation to restore autonomy would be a court judgment to rule unconstitutional the egregious powers of NAFTA's tribunals that give foreign companies the right and the muscle to invalidate legitimately created laws and regulations. Large: one or all of the new institutions being proposed to increase integration could introduce significant change. The details will determine whether it is for better or for worse.

"9/11" only moved the goal posts. It did not change the game. As we stand on guard for Canada we must realize that every play of the game matters. That is the Canadian fate.

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