

Say goodbye to North America's special partnership

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The Security and Prosperity Partnership is dead.

The Trilateral Commission is an assembly of political and academic eminences, mostly retired, from Pacific Asia, North America and Europe. As one delegate to last week's North American regional meeting in Cancun joked: "We used to run things, and now we get together to complain that the new crew isn't doing as good a job."

At the Cancun meeting, Paul Volker, former chairman of the Federal Reserve, John Deutch, former director of the CIA, Tom Foley, former speaker of the House of Representatives, and half a dozen cabinet secretaries from the Clinton and first Bush years roamed the halls. The Canadian contingent included John Manley, Allan Gottlieb and Raymond Chrétien.

All sessions were off the record. But on North American trade, consensus was emphatic: The Security and Prosperity Partnership, launched two years ago in an effort to harmonize the regulatory regimes of the member states of NAFTA, is defunct.

Reaffirming the SPP's goals at the August summit in Montebello, Que., was mere political butt-covering. Having failed to make a breakthrough despite two years of trying, President George W. Bush, Prime Minister Stephen Harper and President Felipe Calderon punted the mess to some line bureaucrats, who are to pretend to work on the file. But in reality, the file is closed.

This is very bad news. SPP was virtually the only initiative aimed at further easing restrictions to cross-border trade within the NAFTA zone. The goal was to remove regulatory hurdles that required separate approvals for goods traded among the three countries.

And yet it failed, through lack of proper planning and will. The first mistake was to keep everything low key. The idea was to bring in leaders of the North American corporate community and have them work with bureaucrats and cabinet ministers to identify areas where similar but distinct regulatory regimes - governing the classification of industrial chemicals, say - could be harmonized into a single set of protocols, eliminating the need for separate inspections and approvals in each country.

But by keeping the discussions private and failing to actively promote the SPP's goals and agenda, politicians handed the conspiracy theorists a gift. Right-wing-nut Americans (such as CNN's Lou Dobbs) and left-wing-nut Canadians (such as Maude Barlow of the Council of Canadians) united to denounce a vast, subterranean plot to create a North American Union, complete with a mythical superhighway from Mexico to Canada that would siphon goods and jobs to overseas markets.

It was all bosh, but the bosh could only be countered by political leaders willing to invest capital in keeping the SPP moving forward. And such political will didn't exist.

Mr. Bush was having a hard enough time getting Congress to fund his war in Iraq while also approving new trade agreements with Central American countries. Mr. Harper had no intention of risking his minority government over the issue of regulatory harmonization. Both men quietly agreed to let SPP die through neglect.

Meanwhile, the border thickens. Strict new passport requirements. Congressional rumbling about terrorists lurking in Canada. Democratic presidential candidates demanding "fair trade," which is a nice way of saying "new tariff barriers." And nowhere is there a politician willing to stand up and defend freer trade and closer co-operation, without which Canada cannot prosper.

There are lessons to be learned. Low-bridging trade negotiations simply hands the conspiracy buffs ammunition. If you're going to negotiate freer trade, sing it from the rooftops. Keep the media informed. Make it a Big Deal. Second, Canada may have to decouple future trade negotiations from NAFTA. Whenever we make a suggestion, the Americans say: Sorry, but if we did it for you, we'd have to do it for Mexico, and they're not ready. The Canada-U.S. trade relationship is fundamentally different from the U.S.-Mexican relationship. Harmonizing regulatory regimes, improving security co-operation and - will we ever see the day? - lowering barriers to labour mobility are all bilateral issues in which Canada and the United States could only make progress if Mexico were left out of the equation.

Ultimately, however, nothing is going to get done until we have a prime minister and a president who agree on a way forward, and who are willing and able to convince their respective legislatures.

Who knows when we'll see that day? In the meantime, to the bureaucrats working on the SPP file: Relax, guys. No need for overtime.

Nothing's going to happen any time soon.

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