

Canada and Mexico after the Quebec Summit

Ottawa's instant love affair with President Vicente Fox showed no signs of diminishing after the Quebec Summit as the leaders of the Americas dispersed to their respective countries. Quite the contrary. The Summit—following on a hugely successful Mexican official visit to Ottawa—displayed a reassuring convergence of views between the two countries on a broad range of regional issues. Chrétien, Fox, and Bush spoke a common language at Quebec, standing together and meeting separately, to underline the success of NAFTA and continue the construction of a trilateral North America as the anchor of the Western Hemisphere.

No Mexican leader has ever enjoyed such depth of credibility and access in Ottawa as President Fox and his energetic team; no fewer than 15 ministerial visits have already taken place since Fox's inauguration in December 2000. He could also build on a remarkable decade of broadening and deepening in the bilateral relationship since 1990, in which a joint ministerial commission has presided over exchanges across the sectors including trade, agriculture, energy and mining, health, and communications. More than 35 bilateral agreements have been signed, including the first double taxation agreement ever signed by Mexico, as well as accords on a wide variety of subjects such as environmental cooperation, distance education, mining, culture, and legal matters. Two-way trade has grown from almost nothing in 1990 to \$18 billion a decade later. Multilaterally as well, Mexico and Canada have become important multi-lateral partners, not only in the Americas, but also in the G-20, the Asia-Pacific Economic Cooperation (APEC) forum, and the OECD (Organisation for Economic Co-operation and Development), which Mexico joined in June 1994 with Canada's active support.

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A NEW ERA

But with Fox it is as if a new era in bilateral relations had unexpectedly opened, vaulting the gathering Mexican-Canadian rapprochement since 1990 into an entirely new orbit, and convincing officials and ministers that

Canada must respond positively to the new leadership. This impulse reflects a conviction that the end of the PRI's political monopoly constitutes a historic breakthrough in the Americas, permitting the reform and full modernization of the Mexican state with the parallel evolution of a democratic society. It also confirms the long-held official belief that free trade agreements like NAFTA also promote democracy throughout the Americas.

The Fox team has also turned to Ottawa for advice on state modernization, public sector reform, and fiscal federalism—welcome news in the capital. New opportunities for Canadian-Mexican cooperation, unthinkable under the PRI, are believed to flow from Fox's new approach to sovereignty, democracy, and human rights, which have altered Mexico's long tradition of non-intervention starting with Carranza and further elaborated in the Estrada Doctrine. Foreign Minister Castaneda has redefined sovereignty to include responsibility across borders for the defence of human rights and democracy, arguing that the new approach requires an activist international role (in Colombia and Central America, for example) as a guarantee against violations and threats to democracy within Mexico itself.

It is as if Mexico has finally become a bona fide OECD Western partner under Fox—willing and able to promote the holy triad of democracy, markets, and peace in the world. At the third Americas Summit in Quebec, Fox supported the "Democracy Clause" championed by Canada without hesitation; the previous Mexican caution toward a more active and interventionist OAS (Organization of American States—and other instruments of regional governance) instantly diminished. The new president met personally with Canadian NGO representatives in Ottawa during his first

official visit to Canada, thereby announcing a more open recognition and approach to civil society. Ottawa in turn (for example) has recognized the efforts of the Fox administration to solve the Chiapas conflict, urging the *Zapatistas* to negotiate with the government. If the task of overhauling Mexican foreign and defence policy cannot be completed in Fox's six-year mandate, the Chrétien government is determined to show that it is an ally squarely on his side.

A NORTH AMERICAN RE-ORIENTATION

But if the Chrétien government is delighted, it is also somewhat breathless with the scope and ambition of President Fox's agenda to which Canada will eventually have to respond. In fact, Mexico's agenda has become more complex with the advent of the Fox administration. The subsequent election of President George W. Bush in November 2000 completed the progressive shift of political power in the United States from the northeast to the south and California. This, together with President Fox's victory, marks a new period in North American and NAFTA relations. The issue was not so much personality, the proximity of Texas, or the sequence of invitations to and from Washington, but rather the reality that Mexico is emerging as an increasingly more important country for the United States than Canada.

Mexico has a much larger population of 100 million people, a huge political presence in the United States beyond the key electoral factor, and is an increasingly important partner for the United States in managing turbulence in Central America and the Andean region. However, Vicente Fox's rapprochement toward the United States—reciprocated by George W. Bush—has reinforced this geopolitical shift. Before the election of President Fox, there was never a doubt that Canada enjoyed a more "special relationship" with the United States than Mexico, and the two borders—one with a fence and the other unguarded—provided a clear image of the difference.

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Dealing with the PRI before 2000 followed a predictable liturgy: the Canadian government could placate domestic constituencies by pressuring Mexico on human rights and Chiapas within an otherwise productive official relationship, while simultaneously underlining the shared values and special closeness in U.S.–Canadian relations. The Fox victory emphatically broke this pattern of relations by Mexico claiming the same moral high ground as Ottawa on human rights and democracy. Fox's vocation is clearly pro-United States and North American, and he has been explicit with regard to the deepening of NAFTA and constructing a North American community. In a break with previous doctrine, the new foreign minister has accepted the United States as its definitive partner; the relative priority of Mexico can only grow in Washington.

POLICY DIVERSIFICATION

The Fox administration will continue the PRI's policy of bilateral diversification, which included 17 trade agreements with 32 countries since the implementation of NAFTA, most importantly with the European Union. However, this exploitation of Mexico's privileged

access to the NAFTA markets and its favourable geopolitical position at the crossroads of world markets (the United States and Central/South America on the north–south axis, and European and Asian markets to the east and west) do not call into question its permanent reliance on the United States given the geographic, commercial, financial, and tourist linkages with the American economy. Castaneda crossed the Rubicon and officially recognized that Mexico had no "Third Option"; Canada had given up the same dream a decade earlier. Mexico under Fox suddenly looks more mainstream—more "North American."

Canada's hopes for a new partnership with Mexico, therefore, are balanced by incipient worries of competition for U.S. attention. While Canada and Mexico are natural allies given their location and their high bilateral trade dependency on the United States—86 and 82 percent, respectively—their need to safeguard their relationship with Washington also provokes a measure of rivalry as well as cooperation. Collaboration rather than discord, however, was more evident at the Quebec Summit, which


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opinion, this is actually the one with the highest degree of probability. In this case, the agreement would not have a serious impact on trade and investment flows in the region. However, it could function as a diplomatic forum for the partner countries. As it is already happening with the summits of the Americas, the FTAA could become institutionalized as the economic forum of the Organization of American States.

It should be obvious at this point that I am a FTAA skeptic. Therefore, if the agreement is ever concluded, it will not have a major impact upon NAFTA. It is the condition of complex interdependence between the United States

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and its two neighbours that their trade bloc is different from the rest of the continent. It is that condition that makes it an international economic region with the potential to transcend national boundaries and become in

the future a new international actor. It is that condition as well that, for good or evil, binds the future of Canada and Mexico (therefore the “regionalization” of North America) to the future of the United States. 

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showcased prospective closer relations with both Fox and Bush, and in many ways the new directions in Mexican foreign policy enhance the prospects for both bilateral and multilateral relations with Canada. Regarding the complex issue of migration, for example, the three presidents declared in Quebec that “they would guarantee the mechanism of trilateral cooperation to serve the needs of immigrants and take measures against the illegal traffic of people” (*La Jornada*, April 23, 2001). On balance, the expectation in Ottawa is that relations with Mexico will flourish now that the three governments share approaches to democracy and human rights issues, confident that the extraordinarily diversified and close relationship with the United States underpinned by an even more dense web of civil society bonds will continue to deepen regardless of change of presidents in Mexico City or Washington.

A COUNTERWEIGHT TO THE UNITED STATES

The challenge for Canada and Mexico is to maximize cooperation and limit rivalry in the mutual interests of managing the United States relationship more

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effectively. Many issues in play are both controversial and expensive: migration and energy policy, NAFTA and the FTAA negotiations, an effective North American Development Bank (NADB), Cuban policy, Canadian participation in the “Plan-Puebla-Panama” initiative for Central America, the conflict in Colombia and Venezuela, environment, and trade imbalances, to name only a few. A huge effort will be required in an Ottawa exhausted by summitry to develop a comprehensive bilateral policy.

Ultimately, however, the most important issue for Canadian–Mexican collaboration lies in the domestic success or failure of the Fox administration. It remains a bright star in the major capitals of the West, but the glitter could tarnish quickly at home if early defeats or miscalculations undermine public credibility. The electoral campaign may have

generated unrealistic expectations for an unorthodox new team comprising exceptional ideological diversity. Fox’s inability to resolve the Chiapas crisis after the Mexican Congress redesigned the COCOPA (Commission on Concurrence and Pacification) agreements into a “light” accord rejected by the *Zapatista* leadership, as well as protests against tax increases on medicines and foods, are intimations of a disconnect between image and reality. In a recent national poll, only 15 percent of Mexicans indicated that they believed the promises of the president (*New York Times*, May 9, 2001). Canadians are also split on prospects for the new Mexico. While Ottawa remains euphoric, some Canadian civil society groups foresee an early end to the honeymoon. The verdict remains out, but the stakes are high for Canada as well as for Mexico. 