

Border Cities

by John Wirth

NAFTA is more than just a trade agreement, for in its wake several issues once difficult or impossible to discuss are now on the table. One such issue is the status of twin border cities on the U.S.-Mexican Border. Cooperative programs to address shared concerns such as jobs and housing, water supplies and treatment, air pollution, and border crossing congestion are now underway. Yet the institutional structures to implement these programs are still weak to non-existent. Meanwhile, the social and economic forces that are propelling rapid, deep-running change press on relentlessly.

Recently, a NAMI team visited the site of what could become the first binational planned city on the border: San Jeronimo on the Chihuahua side, Santa Theresa on the New Mexico side. The attraction is a new border crossing, which will take some of the pressure off the super saturated Juárez-El Paso route; a multi-modal transportation hub, with continental links by rail, air and highway; and (so it is said) ample supplies of groundwater from the Mesilla Bolsón to service the new metroplex with an estimated combined population of over 500,000. Developers on both sides are coordinating their plans, state and local government officials are talking, and of course the maquila interests see this area as

an integrated economic space. And yet, this metro region in formation cannot call itself "the first international city," although that is what it really is. In fact, the planned city of San Jeronimo and the planned city of Santa Theresa are neatly bisected by a sixty foot strip. Because of this strip and what it represents, one local official told us: "Two parallel cities is the best we can hope for."

It happens that U.S. customs agents and the INS seem positively eager to freight this strip with a heavy cargo of sovereign meaning. They discourage talk of an integrated, whole community. "Not in this generation, not in fifty years," one official said. Thus,



what should be a regional approach is being held back by a deliberate hardening of the border, even as transportation flows and deep-running social forces soften and erode that border.

Nearby Juárez and El Paso share the same polluted airshed. Years of effort by local groups acting together across the border eventually led to the Paso del Norte Air Management Agreement. The two federal

governments signed off on a regional air management plan three years ago, and other border cities are now following suit. And yet, what is potentially working for air has not produced a surge of momentum for solving shared water problems, for example. Planning for cross-border emergency response to fires and other disasters is going well. On the whole, however, the famous "spillover effect" identified years ago by Political Scientist Earnest Haas as the engine of European integration does not seem to be occurring with much intensity in other issue areas on the border.

Consider the example of Tijuana and San Diego, a de facto metroplex that in the eyes of the business community is already a regional economic unit. Yet here, too, the forces for border hardening are at work, in response to drugs and illegal immigration. Perhaps drugs are the ultimate deal breaker when it comes to cross-border regional cooperation. If so, this outcome would constitute a huge retreat from the promise of NAFTA, which has opened policy space for new approaches. Moreover, the urgency for solving border problems has eased at the federal level in both the U.S. and Mexico. Still lacking is a vision of the whole.

The San Jeronimo/Santa Theresa concept is something really new, a chance to plan

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Editorial

by Jerry Pacheco

In 1994, I was asked to help with the transfer of State of New Mexico land to the federal government in order to build the permanent Santa Teresa port facilities. This New Mexican port, which sits ten miles west of downtown El Paso on the New Mexico – Chihuahua border, had long been touted as a major tool in improving the state's relations with its Mexican neighbor. However, the Santa Teresa Port had been embroiled in a tug-of-war between public and private interests, and had become a great idea overtaken by bureaucracy, special interests, and greed.

I remember standing on the barren land

surrounding the Santa Teresa facilities, looking ten miles west to El Paso and seeing the rumble of commerce and congestion caused by the high level of trade with Mexico. Two federal governments, three state governments, three municipalities, and nine governmental agencies in two countries were struggling with private sector interests over Santa Teresa. Every year, expectations were increased about the port's future. Every year these expectations were not met, causing more disappointment.

Today, I use the Santa Teresa port about once a week to cross back into the U.S. from Mexico. It seems like every time I pass through this port, a new structure is

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Mexican President Announces Salt Works Project Will Not Be Built in Baja California

From the Embassy of Mexico:

President Ernesto Zedillo announced that Exportadora de Sal, S.A. (ESSA), a corporation owned by the government of Mexico and Mitsubishi Corporation, will not pursue the construction of a salt works project close to San Ignacio Lagoon, Baja California Sur.

The government of Mexico reached this decision after profound and serious consideration and a careful balance of the main issues at stake, in particular "the national and world relevance and the uniqueness of the Vizcaino Biosphere Reserve," President Zedillo said.

"Even though this project would not affect the gray whales that mate at San Ignacio, it would imply an alteration to the landscape surrounding the lagoon and which we are committed to preserve," the Mexican president explained.

The salt works project had been submitted by ESSA to the appropriate Mexican authorities for evaluation of its potential environmental impact, and UNESCO's advice

was also sought. The most recent Environmental Impact Assessment, by an international team of more than 40 scientists from several Mexican universities and the Scripps Institution of Oceanography at La Jolla, California, determined that the proposed project would not adversely impact the San Ignacio Lagoon, the gray whales, or other plant or animal species in the lagoon area. President Zedillo announced that this environmental impact assessment would be made available to the public on March 3, 2000.

San Ignacio is one of the few sites in the world where gray whales mate and calve every year after migrating south from the Arctic. President Zedillo underscored Mexico has never been a whale-hunting nation, as well as its 50 year record as a champion for whale conservation, promoting international whale sanctuaries. This is the reason "it is indignant that some groups and individuals, fortunately just a few, have used (opposition to) this project to seek notoriety, or even profit," he declared. He also deplored their attempts to manipulate people and children who, in good faith, are increasingly interested in protecting world nature. "With false arguments and distorted information, they have harmed the legitimate cause of genuine environmentalists," he stressed.

Several well-renowned environmental organizations praised President Zedillo for making this difficult decision and for his vow to seek alternative projects that promote an equally environmentally sound development for Baja California Sur state and provide jobs to the inhabitants of the area. "We know this wasn't an easy decision, but it was the right one," said Kathryn Fuller, president of World Wildlife Fund-U.S. "WWF commends President Zedillo for taking the long view of what is most important to future generations. The San Ignacio Lagoon is one of the last truly wild places left in the world and, thanks to this historic decision, it will remain that way."

The Vizcaino Biosphere Reserve is Mexico's largest protected natural area and its lagoon system has been declared patrimony of humanity by UNESCO, who also included it in its world network of environmental reserves. President Zedillo's Administration has increased the areas under national environmental protection by 40 percent, and the budget allocated today for their conservation is 14 times larger than six years ago in real terms.

Pointing Fingers Across The Border solves Nothing

by Zita Arocha

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A curious dynamic of everyday life along the U.S-Mexican border is the destructive habit each side has of blaming the other when something goes amiss.

Rather than working in tandem to solve the many serious quality-of-life issues affecting the 1200-mile long border region, residents on both sides often adopt an *es tu culpa* ("it's your fault") approach that fosters mutual distrust and sometimes undermines cooperative efforts.

The finger-pointing isn't confined to along the Rio Grande. It often reaches to Washington, D.C., and Mexico City, especially when the discussion turns to such issues as immigration, the war on drugs or environmental cleanup.

The verbal sparring heated up recently in the El Paso-Juárez area after the deaths of five El Paso teenagers killed in a car crash

in El Paso. The youths had been drinking at a nightclub in Juárez. They were under the El Paso legal drinking age of 21, but in Mexico, the legal drinking age is 18.

Immediately following the accident, El Paso Mayor Carlos Ramirez denounced Juárez nightclub owners for serving liquor to minors. The difference in legal drinking ages is a long-standing point of contention with sister cities along the border.

Understandably, Ramirez's attacks angered Mexican government officials and businessmen, who promptly ran a full-page ad in a local Spanish-language paper.

In the United States, the drinking age is regulated at the state level, but in Mexico it is guaranteed under the Mexican constitution. For Mexicans, the right to drink is a question of national sovereignty. To U.S. citizens, it's a matter of protecting those who go abroad.

A peculiarity of the border region is that an incident like this can provoke long-buried resentments about national autonomy and pride - touchy sentiments that go back to the Alamo. Consider some prevail-

ing "unspoken" attitudes that often form the subtext of policy discussions between the United States and Mexico:

▸ **Drugs** - The United States blames the influx of drugs on Mexican cartels, aided and abetted by corrupt politicians and law enforcement officials; Mexico blames the United States for its ever-grow appetite for illegal drugs.

▸ **Jobs and immigration** - The U.S. residents time and again blame undocumented Mexican workers for taking jobs from law-abiding citizens; Mexicans chastise U.S. employers for taking advantage of Mexican workers by offering them substandard wages and working conditions.

▸ **Environment** - On the U.S side, air and water pollution the border typically are viewed as the fault of Mexico because of a lack of adequate infrastructure and lax enforcement of environmental laws; Mexico blames the U.S manufacturing and unbridled consumerism (especially its heavy reliance on automobiles). It's not unusual to hear El Pasoans attribute the region's air

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pollution to open burning in the colonias on the Juárez side; Juarenses in turn point to U.S-side Colonias, cars and industrial discharge into the atmosphere as the cause of the poor air quality.

▸ Water - El Paso and Juárez, situated in the middle of the Chihuahuan desert, are expected to run out of water in about twenty years. Residents north of the border typically use twice as much water as those on the Mexico side. Some 35,000 new residents move into the Juárez area every year, usually settling in the surrounding colonias and increasing demands for basic services, including water. You can guess at the dialectic that occurs around this issue.

▸ Health - Recently I heard a health offi-

cial from El Paso complain that health-care providers on the U.S. side often shoulder the burden of correcting dental problems caused by substandard treatment local residents have received in Juárez. From the Mexican perspective, the U.S. residents who flock to Mexico for inexpensive medicines and medical treatment do so because they are uninsured or underinsured in their own country.

The list could go on.

Of course these examples are not meant to minimize the many instances of cooperation (most spawned after the North American Free Trade Agreement) between local, state, and federal government agencies and nonprofit organizations on both sides. With vigor and vision, many have entered into

solid partnerships around health, immigration, drugs and environmental issues to resolve the myriad problems facing the burgeoning border region.

But knee-jerk reactions such as those on both sides recently are still too common here. Sometimes the arguments sound more like those of a divorced couple than *cuates*, fraternal twins. What border residence need to realize is that we are all in this, together and forever.

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From Nutka to Nunavut: Why Canada Is Important to Mexico

by Julian Castro Rea

With permission from Author. This article was first printed in "Voices of Mexico," Number 50, Jan-Mar.

What immediately comes to mind when the reader sees the title of this article will probably be formal diplomatic relations, government to government, between Mexico and Canada, managed from Mexico City and Ottawa. Naturally, these are important because they are the institutional and most visible side of the exchanges between both our countries.

But, in this article, I would like to deal with some less well known aspects, specifically underlining that 1) the relationship between Mexico and Canada is older and more complex than it seems and 2) making relations closer could be enormously beneficial for Mexico.

Formal diplomatic relations were established in 1944, only 55 years ago. But the first contacts between what is now Mexico and what is now Canada date back more than 400 years.

In the 1570s, explorers Juan de Fuca and Bartolomé Fonte left the port of San Blas, Nayarit, heading north in search of a passage that would link the Pacific and Atlantic Oceans. Going north of California they arrived at what they thought was their much sought-after channel. What they christened the "Fuca Channel" was actually the body

of water south of Vancouver Island on today's western U.S.-Canadian border. It was then decided that the northwestern Pacific Ocean limit of New Spain was that enormous island.

Nevertheless, although Spain theoretically established sovereignty over this vast territory, it did not do much to truly integrate it into the rest of New Spain. Two hundred years later, in 1774, a new expedition explored Vancouver island and christened a small island adjacent to it, San Lorenzo de Nutka. The Spanish established a post there and began to exchange European goods for otter skins with the indigenous peoples of the region.

However, other actors would soon come on the scene. In 1778, English explorer James Cook crossed the Pacific and landed on what is now Vancouver Island, claiming it as an English possession. He was also motivated by the trade in otter pelts that the English traders sold in Asia for big money. Aware of the need to make the Spanish presence in the region more categorically felt, the Crown sent a military detachment under the command of Juan Francisco de la Bodega y Quadra.

In 1788, the conflict sharpened. Great Britain declared war on Spain over the possession of Nutka Island. The war never broke out, thanks to a diplomatic agreement between Madrid and London finally arrived at in 1791 and according to which both powers would share not only Nutka but also the large adjacent island. London sent George Vancouver to execute the peace treaty. By common consent with the commander of the Spanish garrison, they christened the island "Vancouver and Quadra Island," which remained its official name until

Mexican independence rendered Spain incapable of exercising its sovereignty in the area.

Today, the capital of the Canadian province of British Columbia, Victoria, is located on Vancouver Island. There, across from the provincial House of Parliament, a small historical monument has been placed: a bust of Juan Francisco de la Bodega y Quadra. Also, the channel south of the island continues to be called Juan de Fuca Strait.

Two years after the diplomatic agreement, in 1793, Spain sent a scientific expedition to the region, mainly to make an inventory of its natural resources. The 13-year-long expedition ventured even further north along the Pacific Coast, all the way to Alaska. The expedition's only survivor was Mexican José Mariano Mociño y Losada, born in Temascaltepec in what is now the State of Mexico. On his return, he wrote a detailed account of the region's natural resources -flora, fauna and minerals- as well as of its inhabitants. That is, long before Canadians interested themselves in studying Mexico, a Mexican was studying Canada.

Mociño went to Spain to write his report, which he called "News from Nutka." Given the political turmoil unleashed by the invasion of Napoleon's armies, Mociño's manuscript was never published, and it languished for two centuries in the royal archives in Madrid. But, last year, the National Autonomous University of Mexico published the complete report, including drawings and etchings done by Mociño and his assistants of maps, places and people.

So, relations between Mexico and Canada go much further back than their establishing

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formal diplomatic relations might indicate. Actually, contact has been constant for the simple but fundamental reason that Mexicans and Canadians share the same North American continent. The actual distance between Mexico and Canada is smaller than that between Mexico and Europe. It is also more easily traveled because it can be done by land. If these contacts are not often noticed, it is due to something just as important for Mexico as for Canada: the presence of our common neighbor, also the world's most important economic and military power.

I would like to illustrate this idea with an example. As I have indicated, the two countries have had diplomatic relations since 1944. But the first 45 years of those relations were basically what I call "friendly indifference": a cordial, but not very substantial, relationship. In 1971, formal mechanisms for consultation between executive branches were established and in 1975, for consultation between legislative branches (the so-called Mexico-Canada Ministerial Commissions and Interparliamentary Meetings). These meetings, however, were sporadic and their final agreements not very important for either country's international agenda.

It was only with the North American Free Trade Agreement (NAFTA) that this began to change. Suddenly, both countries discovered that their priorities overlapped on common issues: access to the U.S. market and an interest in attracting more U.S. investment. It was through this common interest that Mexico and Canada "rediscovered" each other and made sure the trade agreement benefited both of them.

This idea, however, was not new. There is an interesting precedent that could be considered the "grandfather" of trade relations between Canada and Mexico.

In 1854, Canada established a treaty for mutual trade with the United States granting both parties trade preferences. The accord was beneficial for both countries because Canada provided mainly raw materials and the United States, manufactured products. However, the U.S. Civil War changed things. The U.S. economy, distorted by the war, concentrated on the production of arms and was forced to import basic supplies and consumption items. This benefited Canada more than U.S. interests thought prudent. True to the behavior that it continues to display today of being for free trade when it has the advantage and protectionist when it has deficits, the U.S. government unilaterally canceled the treaty for trade reciprocity.

As is only natural, this affected Canadian interests, which at the same time were dealing with the abolition of Great Britain's Corn Laws, which established the mother country's trade preferences for her colonies. The Canadians then conceived an alternative trade strategy: approaching the Latin American markets, particularly that of Mexico, to establish a confederated trade council. With the support of London, in January 1866 a Canadian trade mission left for Latin America. Although it had initially included Mexico on the itinerary, it did not actually travel there because its members thought - quite rightly so - that any agreement made with Maximilian's imperial government, at that time in outright decline, had no possibility of being applied. In the end, the initiative's promoters realized how difficult it was to come to preferential agreements with Latin America because Canada's small market made reciprocal trade with these countries unviable.

Nevertheless, the Canadians did not cease their attempts to foster trade with Mexico. A. W. Donly, the first Canadian commissioner of trade visited Mexico in 1905. Between 1920 and 1940, and then at the end of the 1960s, efforts were made to increase trade between Mexico and Canada. These efforts were formalized in agreements in 1931 and 1970. In 1931, Mexico's Minister of Communications and Public Works, Juan A. Almazán, made an official visit to Canada. On his return, he wrote a letter to President Emilio Portes Gil saying,

There are probably no two countries in the world so susceptible to complementing each other as admirably as Canada and Mexico... [being located as they are] on the same continent with the facility of communicating by both oceans.

This statement, that almost 70 years later sounds prophetic, is no more than the express recognition of a potential that has still to be completely realized. As I have written elsewhere, Canada is the "indispensable alternative" and, indeed, the most immediate one for the diversification of Mexico's foreign relations, both on a governmental and a societal level.

The main, recurring obstacle to this deepening of the relationship occurs when it is mediated by another country, first Great Britain and later the United States. Even today, many Mexican products are exported to Canada via the United States and vice versa. This distorts Mexican-Canadian trade

figures, particularly with regard to Mexican exports.

This situation also exists around political issues. It is time we became aware of Mexico's and Canada's common interests and explored the enormous potential for cooperation between the two in order to take maximum advantage of it. The following are some of the fields in which that cooperation could be particularly fruitful:

a) Foreign policy. The way in which Mexican and Canadian international activities coincide (literally) is amazing. The two countries have always voted quite similarly in the United Nations. For example, neither broke relations with Cuba, for the same reasons: a desire to mark their differences with U.S. policy.

Initially it was just a coincidence: each party acted on its own, but arrived at the same result. A convergence of policies, truly concerted action, is very incipient. I will mention two very important instances: the common opposition to the Helms-Burton Act and a joint effort to establish a free trade zone including all countries in the Americas. Ottawa and our Foreign Affairs Ministry are quite right in opposing the extraterritorial application of a U.S. law that, in addition to its political implications, would attempt to stop the profitable business dealings with Cuba that they are able to carry out because they did not break diplomatic relations. With the U.S. executive's hands tied by the House of Representatives, where protectionist proclivities are most clearly expressed, Mexico and Canada have become the champions of free trade in the Americas.

b) Education, particularly higher education. Canada has a first-rate, world-class university system that is an interesting alternative for Mexican students who want to study abroad. In addition to its excellent academic level, students can study in English or in French, or, depending on the location, in both; tuition is much lower than in the United States and is controlled by provincial governments. On the other hand, Canada is a safe and pleasant place to live. This is especially important for Mexicans because Canadian do not have the same prejudices against us as Americans do, which spark an unpleasant experience there.

c) Academic exchanges. These are important because they favor better mutual understanding between our two countries. I sincerely believe that Mexicans can learn many important things from Canadians, particularly with regard to the advancement of democracy and development. Canada has not only developed its formal democratic

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being erected. Within the last two years, the rate of progress in what was previously vacant land is mind-boggling. What has happened? Quite simply, it took a long time, but the right people have finally been attracted to the right place to lay the foundation for its economic development success.

One recent arrival has been Mark Lautman, president of the Santa Teresa Real Estate Development Corporation (STREDC). Previously, Lautman was with AMREP Corporation in Rio Rancho, and part of Rio Rancho Economic Development Corporation. STREDC worked out a deal with the Lyons group, the major landholder in the Santa Teresa Port area, to own, operate, and develop three industrial parks in Santa Teresa. At present, STREDC has 2,600 industrially zoned acres around the port, making it the largest industrial developer in the state, and one of the largest along the U.S.-Mexico border.

Lautman has been able to methodically work with public and private officials in developing a blueprint for the Santa Teresa Port. There now seems to be an air of cooperation instead of outright antagonism. STREDC, the Dona Ana County Commission, U.S. Customs, and the New Mexico Border Authority routinely meet to discuss port issues and solutions. Senator Pete Domenici has also added his considerable influence in order to push development.

The twin cities of El Paso/Juarez, have a larger manufacturing base than New Mexico, Arizona, Utah, and Colorado combined. Congestion has increased to the point that trucks crossing the border can wait up to eight hours. The increasing commercial activity and population have also strained the water supply. The logical place to grow is west to Santa Teresa, where infrastructure and development on virgin land can be done correctly the first time around.

Many manufacturers now prefer to move their operations farther into Mexico's interior. Previously, U.S. suppliers (many in the Midwest) of production inputs to these plants were able to ship their products into the area by plane, while maintaining Just-in-Time inventory requirements. This becomes increasingly difficult, as shipments have to go farther into Mexico. Santa Teresa thus becomes an ideal supply base.

The Santa Teresa Port has blossomed from a crossing of unrealized potential to a rumble of activity, and the results have been incredible. The Pete V. Domenici Highway, which will directly link the Santa Teresa Port to the I-10 Freeway, will be

completed in 3 months. This will allow Mexican traffic coming into the U.S. to bypass El Paso's congestion and access the U.S. highway system. From a commercial standpoint, this means warehousing, manufacturing, and service-based opportunities in Santa Teresa.

At the Santa Teresa Airport, UPS is now running daily cargo flights. The much vaunted rail line into the port is also being laid out. The bonds to finance a new sewage plant have been sold and a contract has been awarded for its construction. Across the border from Santa Teresa in San Jeronimo, a major Mexican developer is laying out development plans that will bring high-growth industrial activity to the Mexican side of the port.

In Juarez, there are 40 to 50 million square feet of leased industrial space on short 3- to 4- year leases. The potential for attracting and moving businesses to uncongested, emerging Santa Teresa is exciting. According to Lautman, "In the next sixty days,



400,000 square foot of spec space [speculation industrial space] will be constructed. In the whole state of New Mexico, not even 100,000 square feet of spec space was built last

year."

For the year, Lautman predicts 1 million square feet of new industrial space will be constructed in Santa Teresa. On average, 2.5 jobs are being created daily in the port's three industrial parks. It is predicted that over 1,000 jobs will be created per year for the next several years. All of these new jobs will create a housing boom in the area. This will have a major economic impact on southern New Mexico. Many people are predicting that the Santa Teresa area will become the second-largest metropolitan area in New Mexico over the next 30 to 50 years.

However, challenges remain. Are the new roads leading to the Santa Teresa Port sufficient to support the extra traffic in the future? The eventual paving of the border highway in Juarez is expected to bring even more traffic to Santa Teresa. According to Jim Coleman, Director of the New Mexico Border Authority, "If even ten percent of the traffic utilizing this border highway veers towards the Santa Teresa Port, we are

talking about an increase of crossings in the thousands."

Where will Santa Teresa find skilled workers to fill the new jobs? A drive through the employee parking lots of Santa Teresa manufacturing plants reveals that a majority of license plates are from Texas. Many of the new jobs that have been created pay more than similar positions in El Paso. This has caused many workers to commute daily from El Paso to Santa Teresa.

According to Lautman, "We need to train more New Mexicans for the jobs that are being created in Santa Teresa. First we need an accurate assessment of the existing workforce. Then we need to implement an effective training program to improve the workers' skills so that they can take advantage of the new jobs." The Border Authority is utilizing North American Development Bank funding and working with Dona Ana Community College to develop training programs.

One interesting training program involves equipping a Winnebago recreational vehicle with computers and training equipment. This mobile classroom visits and trains manufacturing workers on-site. Additional training programs are currently being planned and will be implemented in the near future.

Despite challenges, the future remains bright for New Mexico's newest port. Opportunities that seemed unimaginable even two years ago now seem abundant. From an infrastructural standpoint, the once empty Santa Teresa landscape has proved to be an asset. Public and private officials have been afforded the opportunity to consciously design its evolution, thus avoiding the sprawl and congestion problems plaguing other U.S.-Mexico crossings.

Many people are predicting that Santa Teresa will become New Mexico's second largest city within the next twenty years due to its attraction as a border crossing and a center of commerce. Years from now, we will all be talking about the economic miracle that southern New Mexico has become.

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Book Review

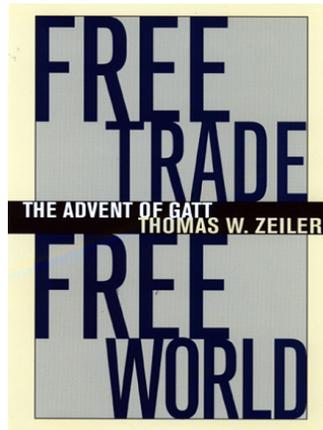
FREE TRADE FREE WORLD: THE ADVENT OF GATT, by Thomas W. Zeiler, The University of North Carolina Press, Chapel Hill and London, 1999.
Review by Tom Chambers

The publication of Thomas W. Zeiler's book, *Free World Free Trade: The Advent of GATT* is indeed timely. As the recent WTO meetings in Seattle showed, there is much confusion in the minds of many people about what has happened to world trade in recent years. Zeiler's book deals with the establishment of the GATT and provides an excellent background to the early years of the free trade debate. Covering the period from 1940 to 1953 it shows that controversy and disagreement were common at the birth of the GATT and globalization much as they are today.

Zeiler, associate professor of history at the University of Colorado at Boulder, provides a well-researched and detailed history of the very difficult discussions between the United States and its allies over free trade during and immediately after the Second World War. His book is well written and interesting. It shows that not only did the American supporters of free trade have to battle their foes at home, they had to constantly struggle to convince many other leaders of democratic nations that free trade was in their best interests, as well as America's. Economic arguments about the benefits of free trade to the world community often ran up against the realities of politics as well as the economic belief that protection was better for the public good. In the United States it was hard to argue with opponents of free trade that allowing in cheaper imports such as shoes helped to improve employment when workers in the shoe factories lost their jobs.

Negotiations between the United States, Great Britain, and the British Commonwealth about the relaxation of protectionist measures began during World War 2. Britain and her former colonies devoted considerable time and energy to trade issues even when the British were involved in a life and

death struggle with Nazi Germany. Idealists were looking to the future when peace and an open world economy might prevail. Protection, of course, continued after the war. Much of the blame for the failure of the free trade negotiations at this time can be laid on the British and their Commonwealth. Facing considerable economic hardship as a result of the war, British politicians believed that protectionist policies would help



their economy recover and allow them to regain some of their former world dominance.

In the United States, during the period covered by this book, presidents Franklin Roosevelt, Truman, and Eisenhower were all in favour of free trade but with different degrees of conviction. Their strongest opposition came from Republican members of Congress. Roosevelt supported free trade because he believed it helped his New Deal but was never a free trade idealist. He had, of course, seen protectionist policies cause world trade to decline by 60% in the early years of the Great Depression. Truman was much more convinced of free trade's merits, having believed in its value since his high school days, but also "backed protectionism when needed". Eisenhower, who became President near the end of this history, had a much broader world perspective than his predecessors. He supported free trade unequivocally; believing it would strengthen the non-communist world in the global struggle to win the hearts and minds of Third World leaders.

Considerable international opposition to free trade came from Britain and her Commonwealth. In 1932, as a result of the "Ottawa Agreement", Britain had established a trade system that discriminated against non-Commonwealth members. Naturally, Commonwealth leaders wanted this to continue and opposed any move towards free trade. In Britain, opposition to free trade crossed party lines as it did in the United States. Churchill, the Conservative Party leader, who had seen his country's power dissolve during the war, believed "that Britain's postwar salvation lay in regulated, not free, trade". Clement Attlee, the socialist, Labour Party leader, who became Prime Minister immediately after the Second World War in 1945, believed in protection and regulated trade as a matter of principle.

Meetings to establish free trade took place between 1946 and 1948 in London, Geneva, and Havana. At Geneva from April to October 1947, a draft charter for an International Trade Organization (ITO) was created. This was approved in Havana in November by fifty-three nations, most of the trading world with the exception of the Soviet Union. However, these nations were not truly committed to free trade and the ITO died. Replacing it was the less comprehensive General Agreement on Tariffs and Trade (GATT) which was signed by twenty-three nations on October 30th, 1947. The realities of Cold War politics destroyed the idealism that had surfaced during the war. American business interests and politicians who had strongly supported free trade throughout this period as a means of improving employment and prosperity had to be contented with a compromise that blended free trade with protectionism.

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ahead, to get things right and to accommodate accelerating infrastructure and environmental problems. Yet it is already demonstrating the effects of this chaotic mix of loosening and tightening that endures pervasively in the age of NAFTA. Pressures from area residents concerned with bettering their daily lives and conditions, from business and other interest groups wanting

simplified clearing procedures, from state and local managers tasked with making things work may force a more robust institutional response while creating a broad-based constituency for change. In the meantime, this "new city" is impacted by a chaotic, uncoordinated way of doing things that is manifestly inadequate to deal with the deep-running social and economic forces at play on the border.

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Interview

The following is an interview with Canadian Ambassador to the United States, Hon. Raymond Chretien, by John D. Wirth. The interview took place on May 5, 2000 in Santa Fe, NM.

John D. Wirth (JDW): We are on the cusp of starting something called the North American Volunteer Youth Corps, which will involve Canada World Youth, Katimavik, some Mexican organizations, AmeriCorps, and my wife's group, which deals with historical preservation. It will be an alliance of a number of groups that involve young people and with a North American umbrella around it. I know that this is something that Lloyd Axworthy was very into.

Ambassador Raymond Chretien (Amb): I think it is great. I have had many good conversations with Lloyd about this and he is keen on this and I am very glad that he is. We have to be careful. The overwhelming importance of the bilateral relationship has to be taken into account and managed. So whatever we do has to take this into account, and I think that minister Axworthy understands this and is very keen to pursue it. Having been in Mexico myself, I believe in it but it has to be skillfully done. There are people that will say, for instance, now that we have NAFTA lets create a North American OPEC. We cannot launch these concepts without thinking them through. But I like this concept of youth service.

JDW: Well, we are just in the process of exploring it and making these connections.

We'll get an advisory board going, and then look to see how we can incorporate what is already done into a North American framework.

Amb: The program you have in mind would be great.

JDW: The phenomenon that we are living through right now of opening trade relations on the one hand, along with the integration (which is phenomenal), the trade corridors, the new railway called the North American Railway, and on the other hand the phenomena of closing borders, particularly along the northern border. It is curious.

Amb: There are conflicting forces at play. With the FTA, with NAFTA, with the greater economic integration we should not have these problems. But there are a couple of forces at play. Within your congress there is increased protectionism. We have seen this in the incapacity of the administration to get fast track approved. So I don't know how those forces will emerge. It would be a disaster if suddenly the United States were to turn inward, and turn it's back on NAFTA, turn its back on the integration of Canadian National Railway and Burlington Northern/Santa Fe. It is being blocked by the Service Transport Board. I don't know what will happen there. I guess they have a moratorium of a year or so. But you can see there are a lot of powerful forces at play. This is going so fast we have to digest a little more. Clearly those forces are out there, and we Canadians do not want those opposing forces to win. Blocking that kind of merger, closing the northern border, would not be good.

JDW: Can we begin to talk about a North American community now? I bring this up because I was on the phone the other day with a Mexican foundation official and much to my joy he used the term "North American Community." A North American Community certainly, on the social side, is happening through the inter-penetration of people; economically, the business community is really starting to think North American, but our institutions are far behind. So in a sense you define it in terms of what sphere you are talking about, on the cultural side we are probably moving alright, informally as people build up the context person to person, on the political side we have a long ways to go. On the institutional side there is the right way to tri-lateralize, but there are wrong ways to tri-lateralize as well. Is any one giving this any deep thinking? This might be a role for NAMI.

Amb: This is a crucial issue that in my view is not being examined by any think tank or University. We have to start paying attention to this because this is a new phenomenon. The first manifestation of this phenomenon is the closing of the border-Lamar Smith from Texas, for example, is thinking south, he is thinking Mexico, he needs those rules of prevention, and because he does that against Mexico suddenly it put us in the bag. I have been fighting this and it has taken an enormous amount of time and energy. But nobody is thinking through what will be the future issues of tri-lateralism.

JDW: Would you like to speculate on two
(Continued on page 9)

Obituaries

Adrian Lajous, 79, Mexico City.

Adrian Lajous Martinez, the former finance official in Mexico, died of a heart attack on January 24 at the age of 79. Mr. Lajous was a friend of NAMI and longtime supporter of the North American vision.

As John Wirth recalls, Adrian Lajous was in the first group of Mexican namistas as-

sembled by Jesus Silvia Herzog in 1988, including also Jesus Reyes Heroles (now Ambassador to the U.S), Carlos Rico (now Consul-General in Boston), Emilio Carrillo Gamboa (later head of NAMI-Mexico), and writer and political scientist Jorge Castaneda. With his wit, incisive mind and great humanity, Adrian enlivened our meetings and opens new perspectives on the emerging North American community. Indeed,

among Adrian's daughters Roberta took her MA at Stanford under John's direction, Alejandra wrote a chapter for the Earle-Wirth Identities book, and Luz has attended NAMI meetings. With their Brother Adrian, all are great contributors, following their father's lead.

Campeau, Arthur H., 57, Montreal.

The former Canadian Ambassador for the Environment and Sustainable Development, Arthur Henry Campeau Q.C. passed away in Montreal on March 10, 2000. He was 57.

Wirth recalls many lively conversations

with Campeau, his great interest in environmental policy, his spirited participation at NAMI meetings and an unforgettable adventure they shared five years ago in Mexico. "We had been inspecting shade-grown organic coffee farms in the forested hills above Huatulco, a potential biological reserve of surpassing beauty and Ecological interest. On the return, our van driven by the trip leader Rodolfo Ogarrio spluttered

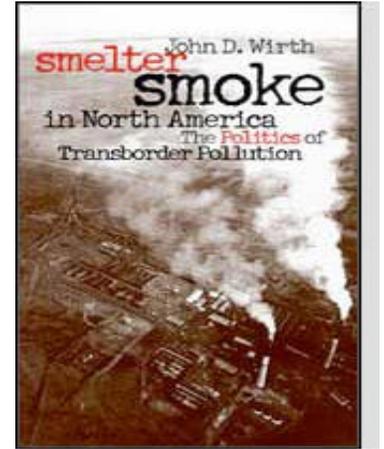
fitfully and from time to time had to be jump started. While Rodolfo drove, Artur, Victor Lichtinger and I pushed from behind and then jumper into the accelerating van, becoming more joyous and enthusiastic every time we heaved ourselves through the open door, landing in a heap. Trinational cooperation carried the day, with much laughter and exuberance."

Praise For

Smelter Smoke in North America:
The Politics of Transborder Pollution

"Wirth uses two focused, lucid, and engaging case histories to lead readers onto a challenging intellectual and policy frontier. A first-rate historian and an experienced policy consultant, he provides deep insights and guidance into the politics and technology of global environmental pollution. This major contribution deserves a wide audience."

-- Thomas P. Hughes, author of Networks of Power: Electrification in Western Society



institutions, but it is also an example of civility and tolerance. In addition, Canadian capitalism is different in that it combines the economic system with solidarity, with a state commitment to its people's well being. Historically, we Mexicans have been obsessed with following the political and economic example of the United States. This obsession is very powerful today despite the signs of decomposition in U.S. society and politics and the structural inequalities of its economy. I think it is time to look closer at the Canadian example.

For this reason it is important to promote Canadian studies in Mexico. Several universities in our country have created centers for Canadian studies, included courses on Canada in their curricula or established graduate programs to train specialists in Canada. Special mention should be made here of the Masters program in U.S. and Canadian studies at the Autonomous University of Sinaloa.

A concrete, very timely, example of how Canada can be a source of inspiration for solving current problems in Mexico is Nunavut. Last April 1, Canada's territory went through an important transformation. Nunavut, a new territory, was created in the extreme northwest part of the country. Nunavut means "our land" in Inuktitut, the lan-

guage of the Inuit (incorrectly known as Eskimos).

Nunavut is the result of a long negotiation process that began in the 1970s between the Canadian Arctic indigenous peoples and the federal government. Led by an organization legitimized by consensus, the Inuit Tapirisat of Canada, the Inuit were able to overcome federal resistance and fears of their self-government. They accepted in exchange not requesting exceptional status or a different kind of government to those that already existed in Canada (federal, provincial and municipal) and being a territory under federal jurisdiction, whose government would be elected according to the rules that apply in the rest of Canada. Since they represent 85 percent of the territory's 22,000 inhabitants, however, they are assured of a majority in the legislature, where the government is elected. In addition, they introduced some innovations in their own organization that reflect Inuit ancestral customs:

* The members of parliament will not belong to political parties, but will come out of the communities and will govern by consensus;

* The government will be highly decentralized; in addition to the capital, Iqaluit, nine regional centers will be in charge of the

public administration, dividing ministry headquarters among them.

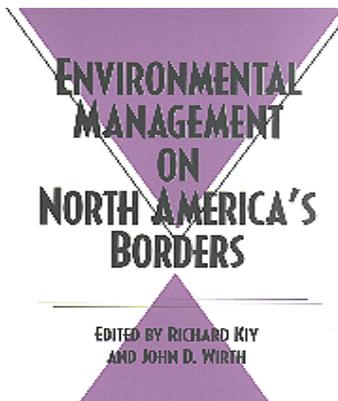
* The official language is Inuktitut.

In addition, it is to be expected that the first legislature will approve laws that reflect traditional Inuit forms of government even further.

Concretely, the lesson of Nunavut for Mexico is that federalism is the solution for reconciling unity and diversity. The recognition of self-government for groups who differ from the majority national culture does not mean the destruction of the state, but its enrichment as a qualitatively superior democracy.

Now that Mexico is preparing to begin a new millennium, it can find inspiration in the Canadian example to solve some of its most pressing problems.

Julian Castro Rea is a researcher and coordinator of the Centro de Investigaciones Sobre America del Norte (CISAN) Canadian Studies area, Mexico City



Praise for

Environmental Management on North America's Borders

"This book is a major contribution to understanding the complex issues which require the environmental cooperation of the three North American countries. Richard Kiy and John D. Wirth are owed, by all of us interested in this field, a special word of thanks for putting at our disposal such a valuable tool."

--Alberto Székely, Research Director, International Transboundary Resources, Mexico City

Press Release

From the offices of the Coalicion Para La Defensa de Laguna San Ignacio

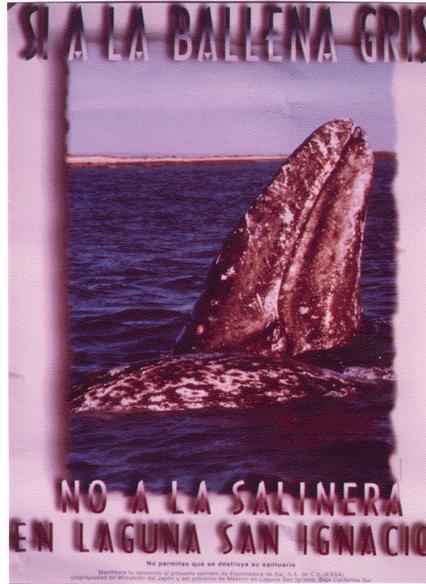
2 de marzo de 2000

Beneplácito de la Coalición por el anuncio del Presidente Ernesto Zedillo, de que no se procederá con el proyecto para construir una planta salinera en Laguna de San Ignacio, BCS.

Ante la noticia dada esta mañana por el Presidente de la República, Dr. Ernesto Zedillo, de que no se procederá con el proyecto de Exportadora de Sal de construir una nueva salinera en Baja California Sur, la Coalición para la Defensa de Laguna San Ignacio expresa su más entusiasta beneplácito. La Coalición manifiesta también su reconocimiento al Presidente Zedillo y a la Secretaría de Medio Ambiente, Recursos Naturales y Pesca, Maestra Julia Carabias, por haber tomado una decisión que hace respetar la ley y establece un trascendental precedente en el desarrollo sustentable de nuestro país.

Quienes nos manifestamos por más de cinco años en contra del proyecto, siempre

resaltamos su incompatibilidad con las normas ambientales que aplican en la Laguna, y en la Reserva de la Biosfera de El Vizcaíno a la que pertenece.



Esto no representa solamente un logro para la comunidad ambientalista que ha integra-

do esta Coalición. Hemos resaltado a lo largo de la campaña el status de la Laguna como sitio de patrimonio de la humanidad, declarado por la UNESCO. Por lo tanto, con esta decisión, todos ganamos.

Gracias a ello, la Laguna de San Ignacio podrá seguir siendo un lugar prístino, resguardado y libre de los estragos ambientales que conlleva la industrialización en áreas protegidas.

Gracias a los esfuerzos de todos nosotros, ésta y futuras generaciones de mexicanos y extranjeros podrán seguir disfrutando de la belleza natural de ese lugar.

Queremos también manifestar nuestro reconocimiento a la empresa Mitsubishi por la actitud responsable que ha asumido, y que la enaltece.

Agradecemos, finalmente, a las miles y miles de personas que se adhirieron a nuestra causa, y que nos acompañaron hasta este venturoso final.

Para mayor información: Andrés Rozental 5327-1090 o Alberto Székely 5616-6525

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or three of them as you look down the down the road, knowing Mexico and United States as you do.

Amb: Drugs are a good example. How do you impose a certification process against Mexico when you do not hold your Northern neighbor to the same standards? We are part of NAFTA. We have had some problems with drugs coming from Canada to the US as you know, coming into the country through British Colombia.

JDW: How about the movement of people?

Amb: The movement of people under these NAFTA visages, and movement of Labor under NAFTA will have to be defined more. Those categories that they have put in place are not enough to deal with. There is a lot of work to be done on labor movement. American Politicians might seek to slow the entrance of Mexican migrant workers, and suddenly we Canadians will be given the same treatment. We want to be subjected to the same treatment.

JDW: People here in the US would not think of that kind of linkage but yet, from the Canadian point of view, it's big.

Amb: But again it is a delicate issue. Oil,

gas, other commodities. Water. Water is also a big issue in Mexico due to the lack of it. Mexico is a country that needs a lot of fresh water.

JDW: We need to coordinate water policy. The International Joint Commission is doing very interesting work along the northern border.

Amb: I will not see during the remainder of my tenure in Washington the next issue because your Congress has very little time left and it will be for my successor or successors. There are a few issues that I mentioned today that will have to be addressed. At present Canada is mostly the demander. We will have to decide where we are going in terms of our economic integration. I gave a speech last year at the Woodrow Wilson Center. You probably read this. It was carefully written. A lot of people put words in my mouth about this issue. I never mentioned dollarization. They put the whole first paragraph on the news in Canada, so you have to be very careful about those simple symbolic terms.

JDW: When we had our tenth anniversary here in Santa Fe two years ago, dollarization came up as something both the Mexican and Canadian participants needed to begin thinking about, although without any position.

Amb: That started in Mexico, Ecuador, and Argentina. In Canada, think tanks are looking at this; there are seminars about this issue. But our position is that we don't want it because of a loss of an important economic tool. Lets look at what the Europeans have and see how that example plays out.

JDW: If the Euro keeps falling we can forget about that. We might end with Education, which is something that we started with and you brought up in your talk. Higher education exchanges, the capacity of creating a group of young professionals that know how to operate in each other's countries, language training. One of the joys of being in Montreal is that it is bi-lingual. As you say, the quality and tenor of life there is sort of a model of where we ought to go.

Amb: Americans are not so keen on language, as you know. But it is a tremendous advantage to be able to speak Spanish in the US, and it is one of the international languages. Especially the major languages- if you speak Japanese, that is even better, or Russian or Chinese. The Americans are such a big entity, such a powerful entity, they think that in the end they can make themselves understood through translators, but it is not the same.

Western North America: A Continental Coalition Emerges

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Over the past few years, CSG-WEST has enjoyed a significant increase in the contacts with Canada and Mexico. We have been very active on the US-Mexico border with the Committee on the Southern Border chaired by California Assemblywoman Denise Moreno Ducheny. The committee has convened meetings in Phoenix, San Antonio and San Diego with border legislators from the four U.S. states and six Mexican states to discuss common issues on both sides of the border. In the North, both at the Federal and Provincial level, Canada has always been represented at the CSG-WEST annual meetings.

In appreciation of the deepening relationships between Western states and Western provinces of British Columbia and Alberta as well as six Mexican states that border California, Arizona, New Mexico and Texas, the officers of CSG-WEST have decided on a multinational theme for our annual meetings in 2000 and 2001.



The North American West: Three Nations, One Region theme recognizes that north-south relationships between the states and provinces of North America are becoming at least as important as relationships with governments to the east and west. Our CSG-WEST 2000 annual meeting to be

held November 15-18 in San Diego will involve a significant number of northern Mexican and western Canadian elected and appointed officials. We will discuss trade and transportation issues as well as increasing economic and cultural ties in the various parts of the North American continent. In the summer of 2001, we will convene our CSG-WEST annual meeting in Alberta with the Pacific Northwest Economic Region whose members include the states of Montana, Idaho, Washington, Oregon, and Alaska and the provinces of British Columbia and Alberta.

More information about both of these meetings will be coming out in the weeks ahead, and I hope that you will plan now to participate in both of them.

Senator Ray Powers

*Colorado State Senate and CSG-WEST
Chair*

NAMINEWS is published by The North American Institute, a trilateral public affairs organization providing a forum for the cooperative development of ideas for managing the emerging North American Community. The purpose of NAMINEWS is to monitor and disseminate information about events, publications, and research with potential policy implications for Canada, Mexico, and the United States.

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