

Canada Alert Trade and Security in North America The Importance of Big Ideas

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OVERVIEW

- September 11 changed U.S. priorities, placing security above all other concerns, including trade. The resulting new nexus between security and trade requires a reconsideration of how best to manage the future of Canada-U.S. relations.
- The evolution of the Canada-U.S. defense relationship since World War II can serve as a potential model for the future management of security and trade issues in North America. Particularly instructive is the Permanent Joint Board on Defense (PBJD).
- Because of the PBJD and other agreements, Canada-U.S. defense cooperation has been based on a “big idea” of North America as a single operational theater. Trade and security issues would benefit from a similar arrangement.
- However, because of the asymmetry in the bilateral relationship, as well as the diversity of domestic actors in the United States that help make Canada policy, basic policy proposals for the future management of Canada-U.S. trade and security relations will likely have to originate in Canada.

Before September 11, 2001, there were significant problems at the U.S.-Canada land border. They were primarily those of inadequate infrastructure—the number of crossing points and their facilities were (and still are) insufficient to handle the load of people and goods. Similar problems with air travel had been largely avoided by placing U.S. Customs and Immigration pre-clearance sites in Canada, thus greatly increasing the number of U.S. airports at which cleared aircraft could land.

Both countries were also working together to monitor the air and sea approaches to North America through NORAD and maritime patrols. Here a prime concern was narcotics and, to some extent, immigrant smuggling. Though the United States had some concerns about terrorists slipping into the United States from Canada, this was not a major

preoccupation. Law enforcement cooperation focused principally on crime, of which there was, and is, a good supply. The main point to remember about this period is that there was extensive cooperation between the numerous U.S. and Canadian authorities concerned with these issues—a situation that was critically important for the future.

September 11 changed U.S. priorities. The United States made it clear that security came ahead of other matters, including trade and tourism. These U.S. priorities and their enforcement threatened and still threaten the Canadian economy. Canada cooperated immediately and closely with the United States in the process of strengthening land border and air security and indeed shaped U.S. policy and actions considerably through the negotiation of the Smart Border Agreement. Here, the personal commitment

and leadership of then–Deputy Prime Minister John Manley and Secretary Tom Ridge were critical factors. Both countries were also fortunate to be able to build on the strong base of border control and law enforcement cooperation cited earlier.

The Smart Border Agreement is a significant achievement. But it should be seen as the first step in a much larger process that will make great demands on both countries. As Andre Belelieu of the Center for Strategic and International Studies recently pointed out, “...the Smart Border process is losing momentum...and a more ambitious border strategy and vision is required for the future.”¹

We are at the end of what might be called the “personal management” period led by Minister Manley and Secretary Ridge. We need now to consider how best to manage the relationship between U.S.-Canadian security and trade in the long run.

Managing security in all its dimensions in North America is a vast and complex task given the size of our two countries and the scope of our relationship. This is a matter of critical importance for both countries for reasons of safety and for the well-being of the North American economy. We must not forget that Canada is our largest trading partner. Canada takes about 20 percent of our exports. In 2002, U.S. exports to Canada came to U.S.\$179 billion. Canada is the leading export market for 39 U.S. states. A large number of U.S. jobs depend on exports to Canada. Thus, while putting security first, we cannot afford to neglect economic issues.

The Evolution of Canada-U.S. Defense Cooperation

The evolution of Canada-U.S. defense cooperation shows how a relationship focused by crisis moved successfully and rapidly from a personal to an institutional level. It also points up the role of a “big idea” in this process. This example might be usefully examined as a possible model for the management of security and trade issues in North America.

Conceptually, the United States and Canada have no border when it comes to military defense of our two countries. From the 1938 Franklin Roosevelt–

Mackenzie King exchange of statements on the defense of North America to the present, the United States and Canada have treated North America as a single military theater—recognizing that neither country can adequately defend itself without the active cooperation of the other. This is the fundamental big idea that has shaped the modern U.S.-Canada defense relationship.

The notion that this relationship could and should be institutionalized was the second big idea. This process began with the personal decisions of President Roosevelt and Prime Minister King to establish the Permanent Joint Board on Defense (PJBD) in 1940. The scope of institutionalization grew over time to include the Military Cooperation Committee (MCC) in 1946, the North American Air Defense (later Aerospace) Command (NORAD) in 1958, and the Binational Planning Group in 2003.

Adding joint operational arrangements to advisory and cooperative ones was the third big idea and was reflected in the establishment of a joint defense organization (NORAD) that has a command structure that integrates Canadians and Americans, is responsible to both governments, and has air defense and missile warning responsibilities for North America.

Along the way, our countries developed a management style or way of doing business in the defense domain. Secretary of State Dean Acheson (a former chairman of the U.S. Section of the PJBD) offered the best description of this style in a speech in Ottawa in January 1952. He said that “it is an organization made up of equal numbers of Americans and Canadians, who consider defense questions and make joint recommendations to their governments.... Colleagues work through a problem continuously and exhaustively until, through the pressure of good will and hard work, the solution is forced out.”²

What Secretary Acheson captured is the essence of the U.S.-Canadian style of defense cooperation: it is a partnership based on equality of treatment, good will, hard work, and extensive contact, all developing from a shared vision or big idea. This style and approach began in the PJBD and now permeates the entire bilateral defense relationship. Thus the PJBD

is worth examining in more detail.

The Permanent Joint Board on Defense

The Permanent Joint Board on Defense, Canada–United States was created by President Roosevelt and Prime Minister King in August 1940 at Ogdensburg, New York. The purpose of the board was, as they put it, “to consider in the broad sense the defence of the north half of the Western Hemisphere.” It was intended to be a permanent arrangement, and it set the pattern for future U.S.-Canadian defense cooperation.

The board consists of U.S. and Canadian “sections.” A chairman appointed by the president and the prime minister respectively leads each section. Membership on the board includes representatives of the several armed services, the Joint Staff, the Department of State—and their Canadian equivalents. The board makes formal and informal recommendations to the two governments from time to time. Perhaps the most important functions of the board now are its ability to facilitate creativity in thinking about North American defense, to sort out problems before they become issues, and to establish strong, informal personal linkages between key officials of the two countries, which have greatly strengthened and expanded cooperation.

The board has been successful for several reasons. First, it is an advisory group—it does not usurp the roles and responsibilities of other players or organizations. But its membership does include representatives from such groups thus permitting what amounts to pre-negotiation or testing of ideas informally and privately. Second, its charter provides a clear program focus but also is general and open ended thus leaving room for initiative. Third, the board is an institution—it has a culture, history, staff, memory, and staying power. Fourth, it is not a dispute settlement organization and operates in a cooperative not adversarial manner. Finally, the board has access to the president and prime minister through the chairmen.

The lesson of the defense experience in North America is that we have been able to articulate our common interests starting with a big idea and to develop agreed approaches and systems to promote

and to manage them that have moved beyond classical borders and the thinking that goes with them. We understand that we have a shared space and shared responsibilities; we know how to work together to deal with them; and we have done so successfully for many years.

The Model of Canada-U.S. Defense Cooperation

It seems to me that this experience is relevant to our current trade and security situation. The United States and Canada share a common security space that is broader than the military defense space described above—indeed that includes military defense as one aspect of the larger security agenda. Clearly, Canada and the United States must work together in the broadest sense including law enforcement, intelligence, border management, the protection of common infrastructures ranging from gas and oil lines to various electronic systems, and the management of the consequences of natural and man-made disasters. We also need to be able to do this rapidly and in a preplanned and coordinated manner, much as NORAD enables both our countries to manage our air defense.

Moreover, our countries also share a common economic and trade space. We have made great progress in the management of this space first through the negotiation and implementation of the Free Trade Agreement (FTA) and then the North American Free Trade Agreement (NAFTA), while considerable thought is now being given in Canada to strategies to strengthen this aspect of the U.S.-Canadian relationship.³ The events of September 11, 2001, and what has flowed from them illuminate these realities and further underline U.S.-Canadian security and economic interdependence. We must manage this relationship between security and economics imaginatively and creatively so that both our countries may be prosperous and secure.

The problems and opportunities represented by this interdependence in the new security environment recall the U.S.-Canada defense experience. In both cases the fundamental reality is that North America is a single theater. This is a big idea. As Thomas D’Aquino, president and CEO of the Canadian Council of Chief Executives, told that organization in a speech on January 14, 2003, in Toronto, “North

American economic integration is irreversible,” and “North American economic and physical security are indivisible.”

There are a number of big ideas that can and should be considered as a consequence of the fundamental idea of a single security and trade area that seeks to go beyond NAFTA. They include the creation of a common security perimeter, an agreement on a common immigration policy, as well as a customs union (which would likely require the participation of Mexico). All of these ideas require continuing U.S. and Canadian cooperation if they are to be realized—in a word, institutionalized cooperation.

Conclusion

In the domain of defense, our two countries were able to build on the big idea of North America as a single theater by applying that principle to changing situations over many years. We were able to do this because the vision was clear and compelling and because we were able to build a focused institutional framework based on that vision that could grow and change with circumstances. It seems to me that the same can, and should, be done with respect to the nexus of trade and security in North America.

At the same time, there are real difficulties with this idea. They stem from the asymmetrical nature of the U.S.-Canada relationship. Of necessity, Canada is far more focused on its relationship with the United States than the United States is with Canada. Furthermore, while U.S. policy toward Canada can be said to have several basic principles—the wish for a strong and united Canada, joint defense of North America, and an appreciation that the North American economy is essentially one economy—actual U.S. policy toward Canada is largely the application to Canada of numerous functional and domestic policies pursued by nearly all U.S. departments and agencies, influenced by the states, special interests including nongovernmental organizations, and the Congress. Thus much of U.S. policy toward Canada is best described as fragmented, derivative, and a function of the priorities of agencies and groups focused on particular U.S. domestic issues.

This means that basic policy proposals from the

United States are unlikely and that Canada will have to take the initiative if it wants the U.S.-Canada relationship to be seen and managed from a larger and more coherent perspective. This is not to say that such initiative would be unwelcome here, but rather that it is unlikely to originate here.

About the Author

Dwight Mason is a senior associate with the CSIS Canada Project in Washington, D.C. He was appointed by President Clinton to be the chairman of the U.S. Section of the Permanent Joint Board on Defense, Canada–United States, in 1994 and served until 2002. Prior to that, he was a member of the U.S. Foreign Service and served twice at the U.S. embassy in Ottawa, first as chief of the political section and subsequently as the deputy chief of mission.

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¹ Andre Belelieu, “The Smart Border Process at Two: Losing Momentum?” *CSIS Hemisphere Focus*, vol. XI, issue 3 (December 10, 2003): 1.

² Dean Acheson, “Chief Imperatives Bearing Upon the Atlantic Coalition,” *U.S. Department of State Bulletin* (December 1, 1952).

³ See, for example, the excellent discussion of a number of the ideas being considered and related matters in John Noble, *Fortress America or Fortress North America?* paper prepared for IRPP Conference on North American Integration, Ottawa, April 1–2, 2004, at <http://www.irpp.org/indexe.htm>.