

THE ■ ■ NORTH ■ ■ AMERICAN ■ ■ INSTITUTE

| [Next: A Social and Cultural Agenda for North America in the Century Ahead?](#) | [Issue #22 Contents](#) |

HOME

INTRODUCT

EVENTS

PUBLICATIO

ISSUES

LINKS

SEARCH

CONTACT

The North American Institute at 10: Vision and Action

By Rod Dobell

At the 10th Anniversary Forum, held August 19-21 in Santa Fe, New Mexico, members of the North American Institute set in motion many ideas and a couple of key initiatives for the coming second decade. Most dramatic of the developments at the meeting was the launch of the Alliance for Higher Education and Enterprise in North America. With Senator Jack Austin of Canada serving as the Founding Chair, NAMI will organize the Alliance as a free-standing independent body with its own trinational board of directors.

Last upd

Thursday,
25, 2000
9:53:53 P
MST



Photo by Susan Christopherson

Participants, speakers, and guests came together August 19-21, 1998 in Santa Fe, New Mexico to celebrate the tenth anniversary of the North American Institute.

Discussion at the meeting was directed toward identification of second-generation challenges for NAFTA institutions, a broader framework of principles for a North American community within which NAFTA and NAFTA institutions must be set, and a forward-looking agenda

for NAMI itself. Members reviewed a decade of debate and proposed a North American agenda for concerted action by the foreign ministers of the three countries. Discussion emphasized both the immediate concerns of a second generation agenda for NAFTA and the increasingly integrated North American economy, and a longer term vision for an emerging North American community.

NAMI-Mexico

Afore XXI
Insurgentes S
1228, Piso 11
Colonia Del
Mexico City,
03100
Tel: 525-488-
Fax: 525-559
[E-mail](#)

NAMI-Can
1001-350 Sp
St.
Ottawa, Cana
K1R 7S8
Tel: 613-563-
Fax: 613-563
[E-mail](#)

NAMI-U.S.
708 Paseo de
Peralta
Santa Fe, NM
87501
Tel: 505-982-
Fax: 505-983
[E-mail](#)

Context for this discussion was set by NAMI's traditional update on domestic developments in each of the



developments in each of the three countries, together with an extraordinarily prescient analysis by Ken Courtis, Senior Strategist and Economist, Deutsche Bank, of the 'Asian crisis', seen as a problem of continuing economic development leading to global overcapacity in a system driven by large amounts of mobile capital.

A panel of founding chairs and other long-time NAMISTAs offered a brief retrospective look at the past decade of NAMI activities; a second panel of business leaders and a paper by Rod Dobell, outgoing President of NAMI-Canada, offered perspectives on future activity. Finally, a panel of currently-active NAMISTAs, under the Chairmanship of Jesús Reyes-Heróles, Mexican Ambassador to the United States, sketched the topics which they thought should figure significantly in NAMI's second-decade agenda.



Photo by Scott Christopher

L to R: Emilio Carrillo Gamboa, Susan Herter, John D. Wirth, and Sen. Jack Austin display the plaques awarded to them for distinguished service to The North American Institute.

The meeting closed with a discussion with Ken Courtis, announcement of the Alliance, a panel discussion with the Canada's foreign minister, the Honourable Lloyd Axworthy, and (following a closing lunch inaugurating the new banquet facility at La Fonda Hotel) a dynamic address by Mr. Axworthy spelling out

directions for development in North America, and opportunities for NAMI to play a significant role in the emergence of the ideas underlying that agenda.

Surprisingly, what was intended to be a leisurely review of a long term North American agenda in fact developed a very strong sense of urgency around the need for visible leadership from the three governments, and particularly the three foreign ministers, as well as from leaders from business and all other sectors. A tension in debate between the proponents of an active program of "deepening and widening" existing trilateral structures and those urging a cautious consolidation of existing gains to date tilted, on balance, in favor of the latter. Discussion of a second generation agenda for the North American community and NAFTA institutions, and a second decade program for NAMI, was overtaken by a concern for a

one-to-two year agenda to address serious threats to the community and its trade relations (as indeed a scheduled trilateral meeting of foreign ministers in Santa Fe was itself overtaken by events when the political realities of international terrorism intervened with bombings in Africa).

These immediate threats were seen as taking two principal forms. The first is the potential impact of the Asian crisis on North America and the global economy. The second, expressed by Mexican and American participants, is the risk that negative public association of NAFTA with the problems of drugs and immigration will lead to diminished support for NAFTA overall.



John Agresto, President of St. John's College (left) introduces New Mexico Governor Gary Johnson who gave the welcoming remarks that opened NAMI's Tenth Anniversary Forum.

On the first, there was no dispute with the suggestion of NAMISTA Ken Curtis (See The Asian Crisis in North America, available on the NAMI web site at www.northamericaninstitute.org) that the underlying structural feature of the so-called 'Asian' crisis is the existence globally of vast overcapacity and overproduction in industrial sectors, a result of the very success of postwar development efforts, particularly in Asia. The meeting noted that to the extent Asian economies and Asian corporations are successful in rebuilding their balance sheets and accumulating working capital to



L to R: Robert Lee Earle, Institute for the Study of Diplomacy, Georgetown University; Maralyn Smith; and Clint Smith, Institute for International Studies, Stanford University.

resume viable production activity, this can only result in a flood of consumer goods for which there will be inadequate demand, at prices which will put great pressure on producers in both Latin America and North America.

At the same time, the meeting accepted the observations of Michael Harcourt, former Premier of British Columbia, that a coming 'tsunami' (tidal wave) of growth in urban populations dictates massive expenditure on investment in urban and network infrastructure in North America, as well as to assure basic services and create sustainable cities in the developing economies of the South. (See Sustainable Cities, available on the NAMI web site.) A

coordinated expenditure plan directed toward the estimated \$4-6 trillion needed to address problems of basic services such as water supply and waste management would 'kick start' the world economy in its response to financial crisis, creating local employment while meeting fundamental needs.

We face a twin crisis: an immediate problem of overcapacity and over-production of consumer goods for which there is inadequate market demand, and a vast continuing problem, already assuming crisis proportions, of unmet need for physical goods and infrastructure investment to assure the continued livability of urban settings for a coming growth of 3 billion people in an urbanizing world population. Measures which succeed in linking available production capacity to these pressing investment needs would also do much to address pressing problems of poverty, and to assure the spreading of the benefits of NAFTA and other trade liberalization processes to growing populations for whom employment is not available and basic human needs cannot yet be met.

The North American Institute therefore proposes that as the first step in a North American agenda, the three foreign ministers place before APEC, the G10, the OECD and other groupings of developed industrial economies proposals designed to mobilize the resources of North America and indeed the whole world community in a global plan to direct excess production capacity to where the pressing need is demonstrable. The availability of the necessary resources and capacity is not in question; the benefits for employment and income distribution flowing from mobilizing the available capacity are also undeniable. All that is lacking is the political leadership and the ingenuity to work out suitable financial and institutional arrangements.

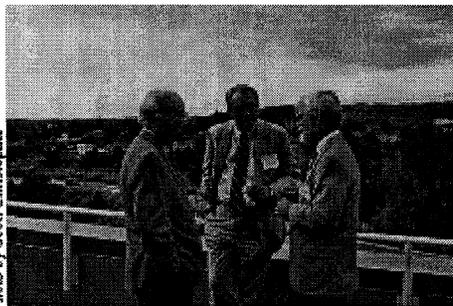
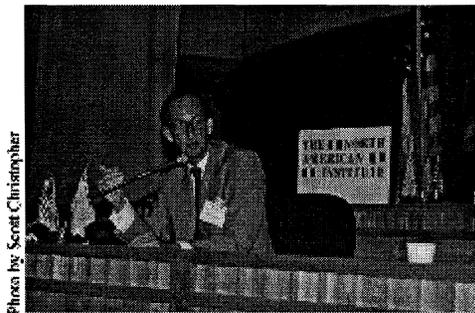


Photo by Steve Christensen
L to R: Bill MacGillivray, Vice President, NAMI Board; Don Newquist, President, NAMI-U.S.; and Sanford Gaines, Executive Director, NAMI during the Tenth Anniversary opening reception.

On the second issue, there are serious risks that the extensive gains from growing trade due to NAFTA are at risk, as pockets of resistance are associated with growing problems of drug trade, immigration, and other settlement issues or border frictions. Of course with growing trade and activity across two very long international borders, increasing frictions and disputes have to be expected. But current problems with drugs

and immigration are reaching crisis proportions. It is no comfort to observe that these cannot reasonably be linked causally to NAFTA measures or institutions; it is enough that NAFTA, and vague apprehensions about some phenomenon of 'globalization', are popularly perceived to be the problem, and blamed for the consequences. There are critically serious consequences for a variety of constituencies who feel disenfranchised, and they may well turn strongly against the idea of NAFTA and trade liberalization itself. Few constituencies offer positive support; little favorable publicity for the many economic benefits of trade liberalization is developed. The result may well be a backlash (however impotent it may prove in the face of global trends) against the whole process, a loss of support for approval of fast track measures, and a general swing toward protectionism in an increasingly volatile political setting in the United States.



Kenneth Courtis, Senior Strategist and Senior Economist, Deutsche Bank, during his presentation on the Asian economic crisis at the New Mexico State Senate Chamber.

Ministers may wish to promote further discussion of this problem, exploring the whole range of questions associated with problems of balancing facilitation of legal movement of goods and people against enforcement of domestic law and international agreements designed to control and deny border crossing to illegal substances or movement of people. Measures to control international organized crime, international terrorism, international flows of arms or illegal traffic on the Internet will be included as topics, as will problems of settlement. While this topic is undoubtedly sensitive and politically risky, a frank and constructive trilateral exchange of views is essential to future administrative reform and conflict resolution. It is precisely in such delicate arenas of shared sensibilities and conflicting perspectives that the working benefits of efforts to build a North American community of interest must be realized.

For the immediate North American agenda to be considered by the three foreign ministers, in respect of this crisis of eroding support for NAFTA, trade liberalization and the whole North American community enterprise, the sense of our discussions identified three critical themes:

- Consideration of concerted trilateral measures to move away from an emphasis solely on an enforcement approach to drug use and substance abuse which has proved increasingly ineffective, and toward a harm reduction approach. Principal



Photo by Scott Christopher

L to R: Javier Beristain, President, NAMI-Mexico; Hon. Lloyd Axworthy, Minister of Foreign Affairs; and John D. Wirth, NAMI President during the Minister's Roundtable.

responsibility in this respect evidently would have to be assumed by the United States; Mexico and Canada would have to ensure that adequate supporting measures were undertaken in their own countries as their contribution to such a coordinated program.

- Measures to move toward electronic document exchange and reciprocal pre-clearance provisions in a seamless 'wave-through' border, with enforcement based increasingly on random inspection procedures to address both organized crime and illegal immigration issues.
- Development of a common trilateral approach to increasingly sensitive agricultural and services trade issues in order to anticipate the coming broader multilateral negotiations on the trade agenda.

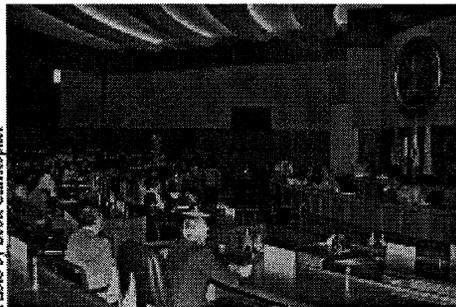


Photo by Scott Christopher

The final series of sessions at NAMI's Tenth Anniversary Forum were held in the New Mexico State Senate chamber.

In the longer term agenda, the policy measures and institutional steps necessary to further development of an emerging sense of a North American community are central and must be pursued by ministries of foreign affairs, not just finance and trade agencies. Such an agenda is contained in the

document *The North American Community in the Longer Term: Building the Networks*, which is available on the NAMI web site.

Rod Dobell is Past President of NAMI-Canada and Wingspear Professor of Public Policy, University of Victoria.

| Next: A Social and Cultural Agenda for North America in the
Century Ahead? | Issue #22 Contents |
