

INFORMATION BULLETIN

DATE: October 2, 2014

SUBJECT: *A New Realism: The Independent Task Force on North America*

SOURCE: *Edward Alden, Council on Foreign Relations, 10/2/14*

The Council on Foreign Relations has released this week the new report of the **Independent Task Force on North America**, and for anyone familiar with the long history of efforts to deepen economic integration in North America, the adjectives that probably best describe the report are “pragmatic” and “realistic.” The Task Force, co-chaired by Robert Zoellick, the former World Bank chief and veteran of several Republican administrations, and General David Petraeus, the former commander of U.S. forces in Iraq, urges a series of measures to improve security and boost the economic fortunes of all three countries in an increasingly competitive global market. (I served as an “observer” on the Task Force, which meant I participated in the discussions but was not asked to endorse the report or its recommendations.) More striking is what the Task Force did not do. It did not call for a North American customs union with a common external tariff. It did not call for a common currency. It did not even call for a “NAFTA 2.0” that would expand the 1994 North American Free Trade Agreement among Canada, Mexico and the United States. Instead, it quite modestly urges a “new focus” on the importance of North America, with greater cooperation on such issues as energy, border management, trade and law enforcement.

Such recommendations are appropriate to the moment and the place. The moment is one in which visionary schemes for regional integration are rather more tarnished than they were two decades ago. The most ambitious project, in Europe, probably went too

far for its own good. The creation of a common currency, the euro, has been a boon for the continent's most competitive economy, Germany, but has harmed periphery economies like Greece and Spain that are now tied to a strong currency even though their own competitiveness would be enhanced by a weaker one. Free movement of people within the European Union has produced a backlash in Great Britain that has led that country to adopt its most restrictionist immigration policies in more than a generation. And the near-miss on the vote for Scottish independence shows the rising popular appeal of disintegration rather than greater integration.

The place is a North America whose citizens have never shared the enthusiasm that many Europeans have for a common identity. Having lived for many years in Canada, I can say confidently that Canadians have just as little interest as Americans in some grand unity scheme, and my more limited experience with Mexico suggests that Mexicans would like it even less. As the report puts it: "For reasons of history and political culture, the United States, Canada, and Mexico are each highly protective of national sovereignty and independence."

What the report recommends instead is a focused set of policies that would help all three countries prosper from the competitive advantages of a more cooperative North America. As the late Robert Pastor, who was a member of the Task Force, did more than any scholar to highlight, **the costs of inattention to North American competitiveness have been steep.** After a surge in cross-border trade and investment in the booming 1990s, the momentum waned in the face of competition from China, new border barriers following 9/11, and the failure of the three countries to cooperate in such area as energy, infrastructure and transportation.

Some of the bigger recommendations of the new report include:

- New offices with responsibility for North America in the State Department and the National Security Council, and the designation of a cabinet official such as the Secretary of State or Treasury as a "North American champion" to bring a continental perspective to policy-making.
- A regional energy strategy that builds on the growing North American advantage as a

low-cost energy location.

- Speeding up cross-border commerce by building on the U.S.-Canada “**Beyond the Border**” initiative and the U.S.-Mexico **Twenty-First Century Border Management** initiative, and working trilaterally wherever possible.

- A new North American effort to assist Central America, which has increasingly become the focus of drug cartel activities, and is now the primary source of growing unauthorized migration to the United States.

Such cooperation would not weaken the United States or compromise its sovereignty; instead it would enhance the security of all three countries and would strengthen their ability to compete economically with Asia and Europe. And these are all steps that could be taken without revisiting the old hot-button debates, and with a clear eye on advancing U.S. national interests. As the report quite rightly puts it: “Now is the moment for the United States to break free from old foreign policy biases to recognize that a stronger, more dynamic, resilient continental base will increase U.S. power globally.”