

Canada and NAFTA in the Emerging Global Order

**Stephen Clarkson
Director, Program on North American Governance
University of Toronto**

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The voluminous literature on American power naturally focuses on the United States as international agent, that is, the *subject* of the international order, whose massive material assets passed to be assessed in order to explain its consequent capacity to affect the shape of events outside its borders. Extraordinarily little attention is paid to the corollary of this power hypothesis, namely the United States as *object*: the extent to which its present ability to influence the behaviour of other states is itself a function of having gained significant assets through the substantial control it had achieved over them in the past. This reciprocal aspect of dominant-state power, which is explicitly understood in the concept of “empire” (when political control and economic exploitation are exercised through coercion) is obscured by the fuzzier notion of “hegemony” (dominance effected through a consensual acceptance of the system-leader’s authority) that is generally applied to Washington’s sway in the post-World War II era.

Whatever label is used, this paper posits that American power cannot properly be calibrated without considering how it is affected by its relationships with its international interlocutors. But those who study any relationship of a particular country with the United States tend to focus on its observable nature. In the United States’ continental backyard, Canadianists and Mexicanists overwhelmingly regard the United States in terms of its power over their countries, the resulting limitation on their autonomy, and, in turn, their capacity to achieve their own goals in Washington. Few consider whether, because of its contiguity, their country should be considered a constituent element of US power — whether buttressing or constraining it. This constitutes the problematic for this paper.

The analytical challenge in carrying out this assessment is a good deal more complex than it might first appear. Accordingly, Section I will provide a conceptual preamble that unpacks the nature of power and explains to what extent it makes sense to talk of the United States’ periphery as a component of its own strength. Section II will consider the evolution of the power relationship between the United States and its two peripheries during the two centuries leading up to the attacks on New York and Washington by Al Qaeda. This review will provide the context for Section III’s attempt to understand the US periphery’s role since September 11, 2001 in redefining US power.

I Conceptual Preamble: Defining and Redefining US Power

Leaning on the Oxford dictionary’s explication of “definition,” we can distinguish four types of “redefinition.”

Describe the scope

Let us start from our Realist colleagues’ point of departure, *material power*. Reflecting on the static notion that measures US power by the size of its population, gross domestic product, military might, and natural resources, it is clear that the two peripheral states of North America can add considerably to the last three of these asset types. American power can be “redefined” if it gains or loses access to one or other of its neighbours’ markets, armed forces, or raw materials.

Determine the extent

When its static power is mobilized to exercise influence abroad, a country's *dynamic power* is a function not just of its own shift in orientation but of the responses of its international partners. When the United States redefined its power by declaring a war on terror after September 11, 2001, its dynamic power was also determined by how its interlocutors responded to this initiative. For example, by contributing its troops, Canada at first buttressed American power in Afghanistan in 2002. By the same token, Ottawa detracted from US power by withholding its soldiers from Iraq the next year.

Determine the essential qualities

Among Internationalists, for whom "soft power" is a vital corollary of a state's "hard," material resources, the perceived *legitimacy* of a state's stance plays no less central a role in assessing its international effectiveness. Canada both buttressed the legitimacy of President George W. Bush's Middle-East mission with its support in Afghanistan and helped delegitimize it by its boycott in Iraq. Mexico withheld its support for both military engagements.

Specify with precision

Beyond a dynamic relationship being redefined through changes in the power transmitter or in the power receptor, a redefinition of a state's power can occur following a change in the *political economy context*. New technologies can increase or decrease a country's power: the ability to explore for oil under the ocean bed bolstered considerably Mexico's petroleum reserves and so its material power. The capacity to create energy from uranium enriched countries such as Canada which held that mineral's deposits. A change in the global balance of forces will also cause power relations to change. The formation of the Organization of Petroleum Exporting Countries, shifted power from the oil-consuming to the oil-producing states when OPEC was able to double and redouble the price of oil in 1973. Multiplying the value of its oil raised Canada's material power, though whether it was able to mobilize this asset in its relationship with Washington depended on who actually owned and controlled its petroleum resources and on what legitimacy US power enjoyed in Canada's governing circles.

Give exact meaning

One result of this attempt to see American power as a function of the role played by its periphery should be to help us characterize more accurately the United States' global role. Along a continuum from complete control to total subordination, we may be able to specify in what respect, whether, and when the United States has been or still is an empire, hegemony, commonwealth, or even dependency.

II U.S. Power vis-à-vis its Continental Peripheries over Two Centuries

Collapsing the development of North America's three coast-to coast federations into its broadest outlines, we can reduce the double dynamic of resistance and acceptance by the peripheries to the United States' initial expansionism to two tofacets: ideological-military and economic-cultural.

a. Manifest Destiny: Ideological-military expansionism (early 19th century)

Revolutionary America's first imperial mission was to dominate the continent from whose eastern seaboard its liberated colonies began their expansion into the hinterland. Through force of arms, US armies secured or seized vast tracts, first from British North America. After the United States consolidated enormous areas under its flag, the periphery then resisted this expansion through government-driven assertions of autonomy. With the British North America Act (1867), the colonies to the north were cobbled together into a semi-autonomous state whose own defensive expansionist policies (building the transatlantic railroad by 1885) stymied the US push north of the 49th parallel.

After its disastrous war, when it lost half its territory and had US troops occupying its very capital in 1847, the shattered Mexican Republic consolidated its capacity to maintain its amputated territory. When the French emperor, Napoleon III, established a protectorate over Mexico, Mexican liberals and republicans received much appreciated support from the United States, whose Monroe Doctrine committed it to resisting European influence in the hemisphere. By the time the United States defeated Spain in Cuba and appropriated what remained of its empire in the Caribbean, Mexico had accommodated itself to Washington's imperial quest while remaining outside its formal domain.

As the cost of overcoming the peripheries' resistance exceeded the benefits to be gained by acquiring more of their territory to the north or south, the geographical limits of the American state stabilized. The dynamics of this first period can be seen as archetypical: the peripheries both contributed to the construction of a rich USA enjoying the largest quota of the continent's best lands with the best weather, while at the same time they denied Manifest Destiny its full continental realization.

b. Open Door to the Continent: Economic-cultural Influence (late 19th century)

Just as the Canadian and Mexican rhythms were out of sync in the ebb and flow of military-ideational factors in the first part of the 19th century, so did their timing differ when they responded to the United States' government-led resurgence as an industrial giant, whose rapid rise was based on pirating British technology and protecting its manufacturers from overseas competition.

While trying very hard to maintain its colonial ties with the British imperial market, Canada's second priority was to strengthen its continental economic linkages. It was only when Washington rebuffed several overtures from Canadian politicians to renew the trade-reciprocity treaty it had abrogated in 1866, that Sir John A. Macdonald launched a third option, *faute de mieux*. His National Policy launched an import substitution industrialization strategy with railway construction to connect eastern and central Canada with the Western provinces, immigration aimed to attract foreigners, and tariffs set to induce foreign entrepreneurs to develop a manufacturing economy in Canada.

Meanwhile, Mexico pursued export-led economic development powered by foreign capital. British and American investors financed a railroad network to export the natural resources – also developed by foreign investors – that were needed both by Great Britain and the rapidly industrializing economy to the North. This was an informal hegemonic regime into which Mexico willingly inserted itself as a periphery connected to

the Anglo-American industrial centres. The extent to which Mexican resources buttressed American as well as British economic power was indicated by the two states' powerful, if unsuccessful, reprisals when, after a revolutionary movement ended the authoritarian régime of Porfirio Díaz, Mexico launched itself on a path of industrial autarchy based on nationalizing foreign-owned enterprises and so depriving the US and UK of their access to its valuable assets.

Changing Context

Over the two decades straddling the end of the 19th-century, the technological, managerial, and strategic environment changed fundamentally with the result that Canada followed an opposite path from Mexico's.

- The second industrial revolution fired by the technologies of the internal combustion engine and electricity turned industry-serving minerals and power-generating rivers into major assets for the northern and the southern economy.
- This increase in Canada's material power was largely neutralized by the contemporaneous managerial revolution that allowed multi-entity corporations to exercise head-office control over their subsidiary operations – whether mines or mills – in other countries without giving up their ownership rights. When Canada continued to welcome foreign capital, American investors retained control as they increased their share of the country's burgeoning manufacturing and resource economy. Not only did the US economy benefit from secure access to Canada's supply of resources and the increased market available to its mass-produced goods; its investors also pocketed the economic rents that came from owning these subsidiary operations in Canada.
- The dramatic shift taking place in the global balance of forces in the wake of Germany's and Japan's rise as competing industrial economies and threatening military powers resulted in the Anglo-American entente of 1906 when Washington finally laid to rest its fear of Canada as a potential imperial threat along its northern border. As articulated in a Department of State memorandum in [1912], the United States had a three-point northern strategy: encourage Canada to detach itself completely from the British Empire; discourage its capacity to compete with American enterprise by maintaining high tariffs against its manufactured exports; and encourage its development as a complement to the US economy that supplied it resources, integrated its capital markets, and offered a consumer market for US firms to gain economies of scale.

By the inter-war period, when US investment and trade started to exceed British investment and trade with Canada, the now politically autonomous Dominion could be seen as extending the power of both the old empire across the Atlantic and the young empire to the south. For two brief decades, Canada balanced between a failing formal empire and a rising hegemon, semi-dependent on each .

Military Power

This double-fronted role was made dramatically obvious during World War II, when Canada's material power was mobilized by the Mackenzie King government into a formidable war machine that buttressed Britain's defences, helping it to survive in the

face of Nazi Germany's massive threat. Up to Pearl Harbor, Canada also played proxy for the back-stage efforts of President Roosevelt to achieve the same objective, since ways were found to channel US military equipment through Canada to beleaguered Britain. Following the Ogdensburg and Hyde Park agreements signed by King and Roosevelt, the two governments cooperated in strategic planning and military production as a means to mobilizing the continent's resources, to defending its shores, and to defeating its common enemies across the Atlantic and Pacific oceans. While the Canadian economy was smaller than the American, it was not subordinate. To this extent the Canadian-American military power relationship approximated a community whose norms were elaborated in conjunction with the British.

Again the contrast with Mexico was stark, since Uncle Sam's southern periphery remained neutral during a second global war. Apart from agreeing to cooperate with the US Navy in its concern about a possible Japanese invasion, Mexico added nothing to US power other than the negative assurance that it would not be used as a military staging area against American soil. Mexican neutrality persisted into the Cold War, a negative presence to the south that Washington could tolerate given the failure of China and the Soviet Union to establish any significant foothold in the hemisphere beyond Fidel Castro's exceptional bastion in Cuba.

For Canada, the Cold War proved more militarily constraining. Having renounced the development of nuclear weapons, despite its advanced capacity in atomic technology and having let its Air Force and Navy dwindle from their considerable size during the war with Germany, Ottawa found itself becoming a junior partner integrated into the American war machine. Lying as it did under the main bomber and intercontinental-ballistic-missile flight paths between the Soviet Union and the United States, but being enthusiastically committed to containing the Communist threat, Canada negotiated a formally bilateral institution – the North American Air Defence Command – into which its air force was integrated under effective US command. While Ottawa could claim to be in a hegemonic relation with its militarily more powerful partners through its participation in the multilateral, but US-dominated NATO, the North Atlantic Treaty Organization, it had little choice but behave as an obedient protectorate of the US Strategic Air Command in NORAD. As its “the defence against help” doctrine suggested, Canada had to defend itself against an improbable Soviet attack lest the United States do so on its behalf.

Economic Hegemony

The economic side of the Cold War was a regime comprising the capitalist states and the Third World that was managed by a number of international financial institutions (International Monetary Fund, World Bank, General Agreement on Tariffs and Trade). Its parallel political order was made up of many international organizations, the United Nations being first among equals. The ruling Keynesian paradigm prescribed that each state was in charge of managing its own economy. Transborder governance took place formally between governments via their diplomats and informally within the growing ranks of transnational corporations.

Within this post-World-War-II ideational universe, Ottawa reoriented its hybrid, export-led development model onto an almost exclusively North-South axis, privileging

US direct investment in its resources and manufacturing sector, which was sheltered by high tariffs to maximize employment in branch-plants and domestically owned enterprises. Building on the foundations established in the first half of the century, Canada provided to the United States not just a rich consumer market for US products plus access to its resources and their rents which US TNCs could capture (Paley Report), but also a flow of human resources trained at public expense in Canada as a kind of farm team that supplied talent to the major league.

So overwhelming was US dominance in all the mass cultural media that a nationalist reaction set in during the 1960s, when the legitimacy of US power in Canada was challenged by those who protested Washington's imperial efforts to control Southeast Asia. Disquiet about the US war in Vietnam notwithstanding, Canada's foreign policy from 1945 to 1970 remained focused on playing the role of helpful fixer on the international stage, acting as peacekeeper, participating in international organizations, and muting its disagreements with Washington over its Vietnam, China, or Cuba policies. In these ways, Canada provided a major boost to US hard and soft power, providing raw materials and lending legitimacy to the regime it had established.

By contrast, Mexico remained in a resistance mode in the post-war decades, trying to preserve the autarchy of its economy. In fact, US investment flowed south of its border, US products sold in Mexican markets, and, in return, Mexico's supplied some low-cost labour through the bracero program, and sold the US larger amounts of oil, albeit from Pemex, the state corporation which kept the economic rents on behalf of the Mexican people.

Transition from Keynesianism to Neoconservatism (1970-1985)

The syncopation between Mexico and Canada's rhythms continued through the 1970s when, coming to the apparently exhausted end of its import substitution industrialization and facing the need to make some more fundamental rapprochement with the United States, Mexico was preparing to give up its resistance to integration in the American economic machine.

In response to the United States' imperial excesses in Vietnam and such alarming bouts of system-disturbing unilateralism as President Richard Nixon's unnegotiated delinking of the US dollar from gold in 1971, Canada moved into a half-cocked resistance mode. With Washington rewriting the international economic order's rules as it went, Ottawa contemplated an overt "third option" that would diversify its economic partners in order to reduce its vulnerability to American actions, reduce its integration in the American economy, and become a more nationally integrated economy.

Based on a rationale developed by a number of government studies – Watkins' Report 1968, Gray Report, 1972 – that documented the branch-plant economy's chronic inefficiency, low productivity, and truncation, the federal government established a series of entities designed to correct some of the economy's worst distortions. The Canada Development Cooperation was to repurchase control of key companies fallen under foreign ownership. The Foreign Investment Review Agency was to negotiate performance requirements with foreign investors to achieve greater benefits for the national economy from their new enterprises. Petro-Canada was to provide a domestic corporate presence in a petroleum sector dominated by US and British transnational giants. In the fallout from OPEC's second price hike of 1979 and expectations that oil

would soon cost \$100 a barrel, the high point of Pierre Trudeau's nationalist measures, the National Energy Program, was announced in 1980 to repatriate control over the petroleum industry.

The outrage at FIRA and the NEP expressed by the newly elected Reagan administration showed that Washington considered an increase of ownership by Canadians of their own oil industry to threaten its interests, thus proving it considered not just that Canadian resources were a vital element of its economic base but that, in the unwritten rules of centre-periphery relations, Canada did not have the right to intervene in its own affairs to the prejudice of US corporate interests.

The Triumph of US Economic Hegemony

The Reagan administration's anger at Canada was part of a larger phenomenon – the dismay in the USA about what was seen as its hegemonic decline. It was believed in Washington that other countries were using government measures unfairly to support their companies' competition with US TNCs, whose technology was being pirated and whose scope for expansion abroad was being stymied. While Congress strengthened Washington's unilateral protectionist measures that could be used to punish other states for their offensive measures, the repercussions from taking too tough a stand against individual partners led the US to prefer a more ambitious, multilateral gambit: rewrite the rules of the General Agreement on Tariffs and Trade.

Since the European Community and leading Third-World powers such as Brazil and India were reluctant to accept changes to the global trade regime designed to empower corporate America still further, the US developed a third track to its strategy. Negotiating bilaterally with willing interlocutors could establish precedents and exert pressure on the recalcitrant GATT members.

Washington started with a bilateral trade agreement with Israel, but this was of little consequence. More significant was the Canada-United States Free Trade Agreement (1989), which broke new ground as far as energy, investment, and services were concerned. Most noteworthy in Washington's bilateral strategy was extending CUFTA to include its southern neighbour, Mexico, which had changed its economic course in the 1980s by joining GATT and the OECD and by starting to disassemble its corporatist state apparatus.

The prospect that NAFTA would create a continental trade block prejudicing Europe's prospects persuaded the European Union to engage more seriously with Washington's trade-policy demands. As a result, the implementation of NAFTA in 1994 was quickly followed by the World Trade Organization's inauguration the next year. Taken together, these new continental and global regimes represented the post-Cold War triumph of US hegemony. Through a virtual export of its own legal standards, the United States had rewritten the rules of the now global economic system and, in so doing, presented its to continental neighbours with a new external constitution, complete with authoritative norms, rules, rights, and institutions that brought to an end their semi-autonomous status in the United States' immediate economic sphere of influence.

- Norms. Applying "national treatment" to foreign investment required Canada and Mexico to terminate industrial-strategy policies designed to promote domestic enterprise and extract greater benefits from American branch operations. Within a matter of years, the retail sector in Canada had been overtaken by freely operating

- American corporations, while medium-sized Mexican business was squeezed out by massive inflows of imports.
- Rules. Washington used the trade negotiations to eliminate a number of its neighbours' policies to which it had previously objected in vain. For Canada, this meant the capacity to review foreign takeovers of medium-sized companies and the ability to control the volume and price of its energy exports.
 - Rights. Big Pharma had made big legal gains by acquiring greatly expanded intellectual property rights with which it could suppress competition by generic drug manufacturers in both Canada and Mexico.
 - Institutions. Elaborate mechanisms for settling disputes between governments were written into NAFTA. Despite the signatory parties' formal equality, NAFTA's dispute settlement processes actually increased the power asymmetry on the continent. Washington refused to comply with rulings that went against the interests of powerful economic lobbies, but expected its neighbours to comply when it won panel decisions. More dramatically, Chapter 11 empowers NAFTA corporations to act directly against government measures that prejudice their trans-border subsidiaries. Given the overwhelming dominance of US TNCs in the continent's economy, Chapter 11 gave the American private sector a powerful new instrument with which to discipline Mexican and Canadian governments, in particular chilling their efforts to strengthen environmental regulations.

The WTO's dispute settlement system was more symmetrical and more powerful, giving Canada and Mexico a stronger instrument with which to confront their common neighbour. Nevertheless, the United States' capacity to shift from hegemon to empire can be seen in its unwillingness to comply with the WTO ruling that invalidated the offensive Byrd amendment, which awarded the revenue from countervailing and antidumping duties to the very industries that had won relief from foreign competitors.

Among the continental periphery's business classes, which had supported the cause of trade liberalization and had helped work out its specific rules through close participation in their governments' negotiations, NAFTA and the WTO signified a strengthening and deepening of American hegemony. Having helped define the new regime, they participated energetically within it. For those elements of civil society such as the labour and environmental movements or native and cultural organizations, the new economic order's powerful constraints on governmental power signified a dramatic extension of US imperial control over their destinies. (Actual resistance to the new economic order varied considerably from country to country with Mexicans developing the most widespread animus against NAFTA, the Canadian public expressing the least opposition, and the American Democratic Party presidential candidates in 2004 targeting NAFTA as minor villain in a larger globalization-driven plot against the American worker.)

However articulated in the three publics' discourses, the new global trade regime represented a substantial redefinition of US power through its deeply intrusive limits on member state economic policy capacity. It is far less clear how US power was affected following the attacks of September 11, 2001.

III The Security State and the War on Terror (2001 -)

At first glance, the massive securitization of the American state's domestic political order and the equally massive militarization of its foreign commitments speak to a reassertion of US power that turned consensual hegemony into coercive empire in which other states were labelled as enemies unless they were supporters. Although this picture may be substantially correct for US relations overseas, the complexity of the United States' relationship with its two neighbours requires us to qualify this hypothesis by distinguishing between security and global defence, whether global or continental.

a. Continental Security

For Canada and Mexico, the most immediate fallout from the debris of the World Trade Center was the blockade imposed by Washington on its land borders. In its construction of the terrorist threat, the Bush administration was declaring that security trumped trade. But the implications of such a gunslinger stance work troubling. Pushed to its logical extreme, total security for the United States required economic autarchy, with neither goods nor people crossing its borders.

Clearly, the processes of continental economic, social, and cultural integration – which Washington had strengthened and institutionalized with NAFTA – had created a force that could not be negated from one moment to the next. The United States government could easily ignore cries of anguish coming from the other side of its borders. It could not ignore its own auto industry whose elaborate, just-in-time production processes straddled the three countries, turning any slowdown of commerce at the borders into instant financial losses. The downside of continental economic hegemony was considerable dependence of the hegemon on unimpeded commercial flows with its peripheries.

Following its refacilitation of border traffic, Washington nevertheless remained determined to enhance its security against future terrorist threats. Even if the nineteen hijackers of September the 11th had not come through Canada – as was originally suggested – infiltration across its northern and southern borders by terrorists remained a major concern in Washington. Within a matter of months, “smart border” agreements had been worked out with Ottawa and Mexico City, committing these capitals to a broad range of new security measures and to substantial budgetary outlays.

Taken at face value, these actions suggest a switch from hegemony to empire since Uncle Sam was driving its neighbours to raise their security systems to standards acceptable to itself. It is true that US officials arriving in Ottawa during the autumn of 2001 to negotiate the strengthening of border measures were suspicious of lax Canadian practices. They were surprised to find that the Canadians were glad that there interlocutors were finally paying attention to border security. Ottawa was eager to implement various programs and measures, including new high-tech solutions that had been agreed to but ignored by the Clinton administration. According to Canadian officials, most of the Smart Border Plan's 30 points announced in December 2001 were made in Ottawa.

At the negotiating table, empire had morphed, but not into community. Washington used access to its market -- already exploited as the main bargaining lever to extract economic-policy concessions from its neighbours during the trade liberalization negotiations but now withdrawn on the grounds of national security -- to extract security-

policy concessions. The governments of Canada and Mexico participated in this hegemonic exchange as interlocutors on whose policy implementation Washington depended. Since continental security was not possible without Ottawa and Mexico City's active cooperation, the asymmetry in the two capitals' relationship with Washington, for whom the war on terror was the overarching priority, was reduced.

Although the two asymmetrical relationships remained skewed, the disparity between them diminished. Relations between the Department of Homeland Security and its Secretary, Tom Ridge, and his Canadian counterpart, John Manley, were cordial and professional, since the two sides were engaged in what each viewed as a positive sum game. With Mexico City, tensions were higher since the Bush administration had rejected President Vicente Fox's proposals to help legalize the status of the millions of undocumented Mexicans working clandestinely and at low, third-world wages in the American economy. Nevertheless, the large numbers of these "illegals" whose children born in the United States would become US citizens, along with the many more millions of legally immigrated Mexicans, gave Mexico City latent power in Washington through the Hispanic-American vote. Gulliver was indeed constrained by these Spanish-speaking Lilliputians.

b. Global Defence

The most current and dramatic example of the tension between describing US power as hegemony or empire was presented during the two years following the September 11 attack.

- Hegemony. When President Bush announced his decision to invade Afghanistan and topple the Taliban government, Secretary of State Colin Powell had little difficulty persuading the rest of the world about the legitimacy of unseating an outcast regime that perpetrated gross violations of human rights and, more important, had harboured and been supported by Osama bin Laden's terrorist organization, Al Qaeda. Although the United States provided the bulk of the military forces for this operation, it had permission to establish bases in neighbouring countries and elicited the active cooperation of many other governments, including that of Canada, which, in February 2002, sent 750 soldiers to fight directly under American command on the ground following the liberation of Kabul.
- Empire. One year later, the government of Canada refused Washington's request to support the attack it unleashed on the government of Saddam Hussein. Although Hussein had also tarred himself with human-rights violations, most other governments did not believe the Bush administration's allegation that he had abetted Al Qaeda in its terrorist mission against the United States. Nor was there agreement with the notion that his desire for weapons of mass destruction had turned Iraq into such a danger that only pre-emptive attack could forestall its own imminent aggression.

Exemplifying its reentry into the comity of nations, Mexico had a seat on the UN Security Council where it joined Chile in refusing to concur with Washington's request for the UN to support its invasion.

Imposing its own will on the Middle East by force of arms and without the support of the world community, the United States had shifted into imperial

mode. Strikingly, despite the peripheries' economic integration and political subordination having been enhanced by NAFTA, Mexico and Canada detracted from US operational legitimacy and refrained from buttressing its hard power.

c. Continental Defence

The third dimension of the United States' security reaction to September 11 was its territorial reorganization of continental defence and its renewed push to control planetary defence. The Pentagon's creation of a Northern Command whose responsibilities included Canada, Mexico, and the Caribbean reactivated Canada's and Mexico's Cold War responses. Formally prevented by its constitution from any military activity outside its territory, Mexico maintained a disconnection with the new organization, although informal contacts with the Pentagon were quietly nourished.

Caught between public opinion which disapproved of excessive military cooperation with the Bush administration and the Department of National Defence, which wanted to take its continental place alongside its senior partners, the Paul Martin government dithered. Making pro-American noises, but deciding against moral or material support for National Missile Defense, the government maintained a tenuous distinction between participation in planetary weapons and enlarging the scope of NORAD which looked after the communications for missile defence.

For the general public, the Pentagon's projects smacked of Empire. For DND and the Canadian Council of Chief Executives, it was a matter of Canada pulling its load responsibly within an American hegemony of whose ends and means they were fully supportive.

Conclusions

To the extent that US power is a function of (a) actual material resources and (b) contextual factors in the global balance of forces, we can see that the North American periphery has played a significant role in boosting or limiting (a) the United States' material resources and helps determine (b) the context within which the United States operates.

For students of political economy, it is noteworthy that, despite increased levels of continental integration – economic, cultural, demographic -- the United States does not appear capable of achieving its Manifest Destiny, a.k.a. imperial control over its own continent. While business groups continue to support the extension of US hegemony in Mexico and Canada, public perceptions there reject the legitimacy of American imperial projects abroad.

Beyond the perceptual distinction between its hegemonic and imperial nature, Washington does not seem intent or able to exert coercive force on Mexico or Canada in order to bend them to its will. Ottawa, for instance, does not face a severe "price" for not signing onto the National Missile Defense program, despite the Bush administration's pressure for it to do so. This suggests that the US potential as empire is extremely limited.

For their part, Uncle Sam's two peripheral states contribute substantially to a US power whose sway they are nevertheless able to contain when vital world issues are at stake.