

EMBASSY

Where's the beef? Sizing up Canada-Mexico relations

Visas, a drug war and lack of post-NAFTA vision not helping matters

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When Prime Minister Stephen Harper meets with Mexican president Felipe Calderon in Ottawa tomorrow, one thing that will undoubtedly be on both of their minds is: Where's the beef?

Not Canadian beef, to be sure. Much of that is flowing in spades across the border again, just as it did this past long weekend onto cottage barbeques. But experts say the relationship between the two countries could be a lot meatier.

The problem, they say, is a combination of negative factors like Canada's decision to impose visa requirements on Mexican travellers, the Calderon government's violent war on drugs, and a lack of post-NAFTA ideas that have largely contributed to a stagnant dialogue.

Still, the consensus is that there are opportunities to inject some new flavour into the relationship, particularly by encouraging sub-federal relationships and focusing on non-traditional sectors like renewable energy, where Canada can help its less developed North American colleague. Put another way: While the grills are fired up and ready, the two countries could be cooking up a lot more.

"The relationship is more important and has more dimensions to it than we are giving attention to at this time," says Bill Graham, a former Liberal minister for both defence and foreign affairs, and currently the co-chair of the Canada-Mexico Initiative, a consortium of think tanks convened by the Canadian Foundation for the Americas (FOCAL) and the Mexican Council on Foreign Relations (COMEXI).

"It's a relationship that of late has been fairly static; there have not been an enormous amount of developments. I don't know whether this is the fault of the Mexican side, or the Canadian side, or of both sides," agreed Andrés Rozental, a former deputy foreign minister of Mexico who now works in COMEXI.

Both Mr. Graham and Mr. Rozental identified the Mexican government's war on the drug trade—and the resulting violence that has erupted—as a key factor that sapped the attention of the Mexican political leadership. Mr. Rozental thought that Mr. Calderon had been "entirely concentrated on the issues of the war on drugs here in Mexico," and, as a

result, "hasn't had much time to spend either on foreign policy in general, or Canadian-Mexican relationship in particular."

In addition, Canada imposed visa requirements on Mexican citizens last July, ostensibly to stop an overflow of refugee claims, but interpreted as a cold shoulder by many Mexicans. The southern partner retaliated by slapping visas on Canadian diplomats and officials. Canadian legislation to address the refugee issue is only now working its way through Parliament.

Carlo Dade, executive director of FOCAL, said he expected the two leaders to discuss the visa issue, suggesting that the Canadian government may "stress that the decision vis-à-vis visas was not indicative of the broader relationship with Mexico, but that it was just a simple need for Canada to react to a particular situation."

Despite Messrs. Graham and Rozenthal acknowledging that Mexico was quite upset over the visas, neither felt it was insurmountable or of paramount importance. Mr. Graham placed faith in the government's refugee legislation to solve the visa issue. He also noted that there exists no risk of Mexico retaliating further.

"With one million Canadians a year going to Mexico, they're not going to put a visa requirement on ordinary Canadians because it would seriously impede their economy. They've wisely chosen this step," he said.

Mr. Rozenthal admitted that Canada's image in Mexico was harmed, but he insisted that "there are other things in the bilateral relationship that are much more important," such as the economy, border security and educational exchanges.

Some say the North American trilateral relationship has also taken a beating, and that this works as a detriment to the Canada-Mexico relationship. Mr. Rozenthal argued that the Harper government considers the US to be Canada's most important relationship, and other relationships are thus focused on less.

But, he also said, "the truth is there isn't very much appetite for doing more for North America in any of the three countries. I think there are various explanations, one of the explanations of course is there are no big ideas about where to go in a post-NAFTA era."

The US has always negotiated the terms of agreements, because of the 20th-century global balance of power and the fact that it shares a border with both countries, says Armand Peschard-Sverdrup, a former Ottawa-area economic consultant, now a senior associate at the Center for Strategic and International Studies. That geopolitical arrangement is now changing, he argued.

"Unlike previous times, where it was a lot more difficult to leverage, I think we're entering a period where the Canada-Mexico relationship can conceivably be more effective in leveraging the United States," he said.

Sub-federal ties and energy

There are a plethora of solutions for what might re-energize the relationship. Many point to the provinces' flourishing relationships with Mexican states.

Alberta, Quebec and Ontario all have representation in Mexico. Alberta just opened an office in Veracruz due to that Mexican state's oil and gas industry.

Mr. Graham said he thought that the government should be "encouraging the sub-national dimension" of the bilateral relationship in order to foster mutually beneficial partnerships.

Alberta could offer training and upgrading of qualifications, he offered as an example, and in return the province that is often racked with labour shortages would benefit from increased Mexican labour.

But Canada's main focus in Mexico so far has been mining. Well over half of Canada's \$3.8-billion yearly direct investment into Mexico is in that sector.

While big companies such as Bombardier and Scotiabank dominate the headlines out of the roughly 300 members of the Canadian Chamber of Commerce in Mexico, membership by mining companies has grown in the last few years to over 40, says president Rosalind Wilson.

But even that sector is under fire. Calgary's Blackfire Exploration mining company was caught in a firestorm of controversy in January when a community organizer who protested their exploration was murdered and three men connected to the company arrested. Other companies have also faced complaints from protesters.

Canadian mines also are concentrated in a dangerous mountainous region bordering on the Mexican states of Sinaloa, Chihuahua and Durango, says Daviken Studnicki-Gizbert, who researches the social and environmental history of natural resource extraction in Latin America. These states are where drug cultivation is centering and some of the most intense fights have occurred.

"All those mines are going in the exact same area. How they're doing it, how they're moving their people, I'm really puzzled. Those are big operations.... The time bomb in Mexico has already gone off. The country, in general, is kind of coming apart." he said.

Instead of focusing on mining, many say, the future lies in renewable energy. Mr. Calderon faces an energy crisis in Mexico due to a fault in the political and bureaucratic structuring, said Calgary-based economist Annette Hester, and as a result has been focused on increasing energy efficiency.

There is a lot of work that can be done in common, Ms. Hester thinks, especially in the lead-up to the UN climate change conference in December in Cancun, Mexico, and in the G20 in Toronto next month.

"The one thing that they could work together would be on efficiency," she said. "The best energy is the one you don't use."

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