

REMARKS BY UNDER-SECRETARY FOR NORTH AMERICA, GERÓNIMO
GUTIERREZ AT THE CONFERENCE:
“NORTH AMERICAN INTEGRATION: MIGRATION, TRADE AND SECURITY”
Château Laurier, April 2, 2004

VERBATIM TRANSCRIPT

Bonjour. Very good morning.

Mr. Hugh Segal, President for the Institute of Research on Public Policy,

Mr. James Hollifield, Director of the John Goodwin Center for Political Studies
at the Southern Methodist University.

Ladies and Gentlemen.

I truly appreciate the opportunity to share with you some thoughts this morning. I am particularly grateful again to Hugh Segal and James Hollifield for the invitation and I would like to acknowledge the ongoing effort of both of these institutions in promoting the exchange of views about the future of North America. I also acknowledge the presence of very distinguished persons, many friends, from whom I have learned a lot throughout the past years; so in that sense I do feel like the priest who is trying to teach the cardinals how to offer mass (*laughs in the auditorium*) but I will try to do my best and I will try to challenge our intellectual capacity about the future of North America.

Allow me at the same time to take some moments of your attention to make what I call, some sort of commercials: First, that this year marks the **60th anniversary of diplomatic relations between Mexico and Canada** and throughout these decades, our homes have expanded, have grown and have been remarkable, so it is also an honour to be here in Canada in this day because of this anniversary. Our peoples have certainly a better and deeper understanding about our societies and about the strengths each of us bring to foster our ties.

The second reason that this is an important year, is that it also marks the **30th anniversary** of Mexico-Canada's program: **Seasonal Agricultural Guest**

Worker Program¹, which is truly a paradigm by all means of cooperation within the realm of migration.

Finally, as all of you know, we are also celebrating the **10th anniversary of NAFTA** and as you are well aware under disagreement, great exchange [trade] has essentially doubled in volume; financial flows between the three countries have also grown exponentially, and NAFTA has in a sense transformed the relationships between the three countries. Taking a look at NAFTA is probably a good place to start the conference and try to address the issues that gathered us today.

I will precisely start by saying, by posing the question: **Why are we here?** Is not only because we like to be in this beautiful city of Ottawa; is not only because we enjoy to stay in this hotel and we get the opportunity to meet friends that are always interested in this type of subjects. We say that we are gathered here today, because there is serious people thinking seriously in the three countries about what lies next for North America. **Trade, migration, and security** are certainly important, very important challenges for the three countries but also very important opportunities; and I would say that is why we are gathered here today. Because many of us, if not all of us think: **“Yes, these are perhaps, our major challenges and our major opportunities as a region”**.

I will like to divide my intervention, essentially in three parts.

- First, talk a bit about the context in which this discussion about the future of North America is taking place.
- Secondly, enter into what I believe are the objectives of this process of our integration, interaction between the NAFTA partners and,
- Thirdly, try to address a bit what I consider to be the most pressing or most immediate issues that would need to be tackle in this process.

What is the context in which this discussion is taking place? NAFTA has been –in balance-- certainly a very positive element for the three countries. Trade as I mentioned, has more than doubled; financial flows over the last decade between the three countries have reached a trillion dollars; and more importantly, 96% of all of our trade and investment relations go out without any major difficulties. The three countries therefore have learned that if we set together, if we agree upon a series of objectives and establish a series of rules to achieve them, we can go very far.

¹ Or Seasonal Agricultural Workers Program

It is also true that as in many other places in the world, there is growing skepticism about trading and liberalization. I believe that because of a lack or a deficit of communication, and as I have mentioned often, I think the three governments have the will to move forward in this process of the North American region and therefore, will have to address this serious problem of deficit of communication about what NAFTA is really capable of, and what NAFTA is responsible. Borrowing Robert Pastor's idea, I would say that in terms of the original architecture of NAFTA, it has been quite a success. Perhaps, especially in Mexico, NAFTA was oversold as a solution to all of our economic problems. Free trade is responsible for certain things and is capable of others.

Lastly, as a result of NAFTA, another factor: The trilateral relationships and the respective bilateral relations, I will say both have evolved very weakly over the last 12 to 15 years. I truly believe that Mexico, the United States and Canada are moving and have moved [away] over the last decade from this concept, borrowing the ideas of Alan Riding of "distant neighbors" to something more of a sort of "**strategic partners**". We are probably not there yet, but I think if that we have evolved very quickly and if you look at the trend lines and not at some headlines we will probably find out that the trilateral relationship and the respective bilateral relationships are quite successful and that will probably continue this way in the future. There is also the case that we are living in a much more difficult and challenging international environment. The so-called "[inaudible] nineties" with great trade liberalization was almost a fact. They were extremely fashionable. Now they are over. There is growing skepticism about free trade everywhere. I believe that.

In the nineties we were talking about **the end of history**, Francis Fukuyama, and we were also talking about the "**clash of civilizations**". I do not think that none of those paradigms really, accurately describe the complex, multilateral and international environment that we are living in. And that certainly attracts the attention of our three governments and our societies and it is not an easy crusade as in the nineties in terms of moving forward with continuing trade liberalization.

At the same time, **Mexico is at a catharsis of its foreign policy**. Mexico's changes in foreign policy largely reflects the changes in its interior political climate. And there is a catharsis in Mexico about the type of relationship that Mexico should have with North America, and especially with the United States. I do not think we will see the end of that catharsis in two years; but I am sure it is a process that will conclude and will probably end thinking more seriously about how to better... take advantage of our geographical proximity and of our North American region.

And finally, I will say these discussions are taking place in the context where security, --the security of nations-- has become certainly a part of our concern, and I would say that particularly with the United States. The regrettable events of September 2001, and subsequent events have certainly raised the concerns of many governments about their security, and in a sense have constituted an inflection point on what we have experienced essentially throughout the nineties. We must think very carefully about the issue of security. At this time is the context in which this discussion takes place, and now I will move towards the objectives of what we see about, **what is there, in the future of North America.**

I will argue that there are **three essential objectives:**

- The **first one**, I will say is to enhance the **job creating capacity of our free trade agreement.** One of the big discussions about how to accept what NAFTA has to do whether there is a net increment in the number of jobs, and this is a complex international debate. Economists will argue that there has been a net increment in jobs. [inaudible] jobs have disappeared in certain sectors in the three countries because that is the whole nature of free trade. But even that was not the case. It has helped transformed our economies and project them into the twenty-first century, into a whole much more modern economies. So I would like to add that whatever comes next for North America, in the economic front essentially, should be enhancing the job creating capacity of the trade agreement we already have. There are plenty of things that are being discussed: Whether is try to make more standards and regulations that will facilitate trade and will reduce the cost of doing business in the region. Whether we can move to common markets at least, on certain specific economic sectors. Whether we can revise and try to get a common policy on e-trade and e-commerce and many other proposals.
- The **second objective**, I will say is to strike an **appropriate balance between these concerns of security and the facilitation of trade the movement of flow of goods and people; the legitimate and secure flow of goods and people.** We cannot afford otherwise. Yesterday, Dr. Weintreaub presented very interesting figures about intra-regional trade. It has grown quite more than our rest of the world. Mexico has 620 million dollars worth of trade with the United States in its border. Literally, thousands of containers go through and almost a million people in any good given day. That is important for the employment in Mexico and for the employment in the United States. And I suspect that, with certain particularities, the border relationship between Canada and the United States is probably going through the same. If we are going to think seriously about the challenges we are facing, especially from Asia and Europe as a region, we must assure that problems and the legitimate flow

of people are fluent from among our borders. And yes, **we do need to have modern and secure borders.**

I will argue that we have **three NAFTA infrastructures in our borders.** The increase of trade has been exponential and yet **the investment of resources in the technology and infrastructure of our borders have not grown exponentially.** So we need to think seriously about those issues. I will emphasize the idea about striking at that, between **security and the facilitation of trade and the movement of people. National security is not about eliminating 100% of the risk. That is not possible. It is about pricing a risk,** calculating risk and taking policy decisions upon these calculations. So that is the important challenge we have in terms of security.

The border of the twenty first century is being redefined as we speak. The border of the twenty first century will be completely different as the one we have traditionally have throughout the world. **The concept of the border as a line will probably be erased during the next fifty years.** I think this type of discussion are useful because they shed light to this matters, but I think we are changing the concept of our borders and it is one of our major challenges.

Security cooperation over the last few years has probably become one of the most dynamic areas of cooperation in the bilateral relationship between Mexico and the United States. I will suspect that is also an important and dynamic issue between Canada and the United States. Each day we are thinking more seriously about what aspects can we try to modernize in terms of security. So there is an important challenge here again to strike a balance between addressing security concerns and facilitating the secure and the legal flow of people among our countries.

Mexico has changed a lot in this respect: There has been cooperation over the last two years. Both Canada and Mexico have signed **Smart Border agreements with the United States,** very similar in nature and in objectives. Some of the cooperation that result from this agreement was unthinkable, I would say, I would argue five years ago in Mexico. It is a very important element of our bilateral and trilateral relation.

- **The third objective of this process, --I would argue-- has to do with establishing mechanisms that will provide legal, orderly, secure**

migration between the countries; one that respects the human rights of the migrant people and their basic needs. Establishing mechanisms regardless of how much migration we have. That is a different story.

Between the three countries there are **currently still very acute income** differentials and development differentials that were described yesterday by Sidney Weintreaub. **If you have such differentials along with complementary population, dynamics at least to some extent, and complementary labour markets you will definitely have a powerful incentive for migration.** So that is also one of our major challenges, like migration, the number of international migrants has roughly been 3% of the total population of the world over the last thirty years; according to the last count of the UN: 175 million people are in the world. But it has certainly become a more important issue in multilateral, regional, bilateral fora throughout the world. That has certainly become a more important issue in the domestic agendas of many countries, so it is an issue that must be address and must be tackled.

Mexico and the United States, in the year 2001 started to talk for the first time about addressing migration as a shared responsibility issue. February of that year, both presidents sat together and for the first time, the issue of **migration was formally introduce in the bilateral relationship.** With Canada we have already established for a long period of time, several programs, like the **Seasonal Agricultural Workers Program.**

Globalization has done two things with respect to international migration.

- **One,** it has facilitated or it has mitigated many of the obstacles that previously existed for the flow of people across borders.
- At the same time and has **generated much more information in the so-called transnational communities about migration.** But at the same time, it has contributed to attention because the pace at which different factors have been liberalized is not the same between labor and that obviously, has generated attention.

So the third objective is **establishing mechanisms to provide for a legal, orderly and secure migration** between the countries, regardless of how much migration we have. I think that is important to emphasize.

Finally... to address a bit about the issue I think should be tackled in the very immediate or the most immediate challenges. I think that we are certain also that

- The first one is that **the private sectors of the three countries are well ahead of the governments of the three countries in these discussions.** And that is fine. **But governments must make an important effort to hear the private sectors, to hear societies and try to facilitate this process.** There is a risk of lagging behind, of governments lagging behind in this process.
- Secondly, **what kind of process can we foresee?** I will argue that we will not see a think-tank as we did in the nineties with NAFTA, a onetime for all action, but more of an **incremental process with different steps and different phases coming on.**
- Thirdly, --I will say, largely because of the reason that I mentioned and the context in which this process is taking place--, the three governments will have to have **a way to get societies involved in a much more active and a much more intelligent way** than we did previously; if not it is unlikely that we can move forward.

And after my presentation, we will be discussing about institutions, **are we going to have institutions for this process or not?** I would not discard any possibilities at this time. I will simply say that, if we **agree on the objectives** then it will be much more easier to determine whether we need some form of institution to handle or to facilitate this process.

I believe --to conclude--, that diplomacy finds in the twentieth first century its very essence in **the need for nations to construct common visions about the challenges and about the opportunities that very rapidly change in world.** Certainly **migration, trade and security have become within the North American region the major challenges and opportunities.**

I truly believe that we must construct these **common visions**; that this type of debates we are having this morning are helpful for understanding and constructing this common visions. And I will conclude by saying that we will need a lot of perseverance because is going to be a long process probably. We will need a lot of creativity from the part of the three societies, but mostly, we will need a lot of political compromise in order to push this process forward.

I cannot tell enough how much I appreciate being here, personally and institutionally. I thank again the invitation of being here with you this morning, and will be very happy to answer any comments or questions you might have.

Thank you very much.

(applause)

QUESTIONS AND ANSWERS

Question

Mr. Under-Secretary, first of all, thank you very much for being here and for being such an eloquent spokesperson, not only for Mexico but for this common North American project. I have two questions for you. Let me start with the easy question: I would like to hear what you and the Foreign Ministry... how you are feeling about the Mexican and Mexican American community in the United States. As you know Mexico changed its nationality laws, a few years ago, tried to bring this community closer home, closer back to Mexico. What is your thinking about dealing with the Mexican and Mexican American communities in the United States? A more difficult question, a political tricky question: can you give us the government's reaction to the Bush's guest worker proposal?

Under Secretary Gerónimo Gutiérrez:

Certainly, I will try to answer both of these questions. The migration debate between Mexico and the United States has essentially two components: **a)** addressing the status of people who are already there, and **b)** trying to establish mechanisms for people that, essentially for [inaudible] that will go to the United States in the near future.

The Mexican American community and the Mexican community in the United States do not have a homogeneous agenda and we must recognize it. The Mexican government is in a position, first, to respect, understand and appreciate the assimilation process of Mexicans that have decided to go there and become US citizens. Why is that? So long as that is an individual decision. I do not personally believe that the Mexican Government should advocate for its Mexicans to become US citizens, if they do it individually, as an individual decision that is fine, and there is plenty of successful Mexicans in the United States, I will argue, and vice-versa. I think that is a much more common phenomenon.

We are trying to maintain a more institutionalized relation with the Mexican and Mexican American community in the United States; to understand it better. It has become an important community, with increasing political influence, cultural influence, social influence, and economic influence –444 billion worth of spending power this days. It is an important group, we have establish within the Ministry of Foreign Affairs the Institute of Mexicans Abroad in order to keep our relation with this community, to understand that the agenda might not necessarily be (inaudible) but that there are shared interests and that is worth while (inaudible) to the extent that diplomacy allows it and is possible to try to construct a common agenda. That I will say is the position of the Mexican government; President Fox, as you know at the [inaudible] of his administration talked about governing for 120 million people, that is what this is all about.

The position with respect to the administration's proposal on President Bush's principles or guidelines of migration. Again, the migration debate has two components. The proposal tries to reconcile the two components by using the guest worker program as a vehicle to normalize the establishment of the people that are already there and to establish new mechanisms. The Mexican government welcomes the proposal --publicly and implicitly--, because we thought and we do think that it has reanimated and regenerated the debate with the United States. Within the political spectrum in the United States... they are very polarized regarding minorities: We see one side of the spectrum that does not want to do much with immigration, and one that sees the immigration proposal as insufficient.

The Mexican government will simply try to provide all the information that will help create a coalition within the center and that will push forward a reform. We have also talked about... more specifically about the proposal... about a series of issues that the Mexican Government said, deserves attention in the policy process that has now started. There are ten of them. I hope to remember all of them. These issues are not only important to the Mexican Government. These are the issues that are being discussed also in the United States by the different political actors.

Obviously one of them has to do -perhaps the most important- with the help to build the path for permanent residents. The administration talked about allowing people to apply for permanent residence, the normal way, and increasing the number of green cards. That process needs definition. People that have been in the United States for over ten years are unlikely to enter a guest worker program, that does not provide a clear and sufficiently easy mechanism to achieve individually permanent residence.

The second issue, is the mechanisms for this program how easy they are, how efficient, because that would likely determine the interest of people to enter the program. We have talked about addressing people that are [inaudible] in the United States, the Mexicans that have been undocumented in the United States

for over ten years but they make USD\$400,000 a month. So the idea of matching willing employees and willing employers does work, but you might have [inaudible] of the people that are already employers, and that already have their business.

We have talked about what are the specific mechanisms that will guarantee the equality of immigrants. That is within the proposal of the administration but has not been sufficiently discussed, what are the actual mechanisms that will provide us that and that is obviously of very much interest to Mexico.

Question

[Inaudible]

.....
Undersecretary Gerónimo Gutiérrez:

[Inaudible]

However, we have been working very closely, for example, to stop the trafficking of humans throughout 2003. There is an unprecedented [inaudible] of the Mexican Government to attack the smuggling of humans throughout this territory and going to the United States because they are also violating the population (inaudible) and the organized crime.

And perhaps three years ago, people in Mexico would have thought that it was not a good idea. But just two weeks ago, we put behind bars forty-five officials of our National Migration Institute that were involved in corruption and in the smuggling of humans and the reaction of the public opinion was positive. So I think that gives at least some sign of a reasonable margin to address that issue. And I will emphasize something that I said during my presentation, Mexico is pursuing a migration reform, establish a serious mechanism with the United States. Therefore, I believe Mexico must seriously think of about what it is willing to do to get that.

I will conclude by saying that whatever is established must have, to some extent, a self-enforce element and that people should think about how to construct a law that allows for self-enforcement. In Mexico we have a law, we don't allow for used cars from the United States to enter Mexico, and every single year thousands of them enter Mexico. Since 1996, in certain period of time we did some sort of amnesty. In the debate, some of the issues -even with some differences- resemble. Many of them are "pick-ups" that are used for agricultural purposes. In the year 2000, the government decided to establish a little way to import those "pick-ups", and now nobody imports them. So I think that gives us some idea of the type of construction that we must have.

Other Questions:

1) You mentioned that we have three NAFTA infrastructures in our borders, as I understand along the U.S.-Canadian border, there has been joint infrastructure development for inspection facilities. I was wondering what your cause might be by having U.S.-Mexican of inspection facilities and also the possibility of moving those inspection facilities away from the border.

2) Could you talk a little about Mexico's immigration of Central Americans and Mexico's policy towards these migrants and security efforts at the south of the border.

3) You said something about Mexico toward a more formalized and independent operation under [inaudible] are interested in a more formal arrangement. The other question: Do you think that Canada is interested in working with Mexico [inaudible] United States.

Under Secretary Gerónimo Gutiérrez:

On the matter of three NAFTA infrastructures... we have the border alliance that we have signed that have three axis: secure border infrastructure, for example our international [inaudible] flow of goods and flow of people. There is the so-called: "FAST that has been developed which allows free and secure trade that would involve free inspections inside both territories. That is actually done already, in some agricultural [inaudible] because of different reasons. So I think that is a possibility and I think that is why that program is developed. I don't have enough information about Canada and the United States. So I wouldn't like to make [inaudible] but I think we are moving forward. We are moving towards using the same [inaudible] that will allow people who work close to the border to cross very quickly. Those are the type of things that were not developed at the time NAFTA was signed.

We must improve, for example, between Mexico and the United States, the process by which we construct crossings. There are 52 crossings, it is quite a messy system that we need to think about and try to make more homogeneous, with more common criteria, to establish what is the type of port, of border port that we should try to have twenty years from now. So I think it is a very big agenda, but I do think that what you mention is possible.

Regarding the second question, Mexico is pursuing a policy on migration that its very essence is the protection of human rights of migrants and is pursuing consistency between what we do in Mexico and what we ask for outside. We have established a worker program for Guatemalans that is working. I do not have all the details of that program. But I will characterize the policy as one of consistency, with respect of our northern border.

On the last question, that is not something that is being considered in any way by the Mexican government. Our security agenda, at this point is only concentrated on borders, sharing information but the issue of North Command has not been in any way neither with the United States nor with Canada.

Thank you very much.