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The Impact of 9/11 on Canada-U.S. Trade (review)

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speaking Canada and French-speaking Quebec, and similarly conclude that more coordinated approaches need to be implemented. While John Biles stresses the need to tackle challenges of continuity and evaluation in government-funded initiatives in general, the Conseil des relations interculturelles suggests that Quebec needs to specifically implement evaluation mechanisms to assess practical elements of immigrant integration in the province. The following three chapters of the section provide a solid overview on how the general public perceives immigrants and how the latter are represented in media coverage. Jack Jedwab's chapter reviews a large body of public opinion polls showing that there is a great deal of convergence around the two-way street relationship for immigrant integration in Canada, but that supporters have some conflicting opinions about immigration levels and how integration gets defined and implemented. In their chapters, Minelle Mahtani and Chedly Belkhodja respectively present the results of their content analysis of major English-language and French-language media. According to Mahtani, immigrants are widely misrepresented in the media, notably through stereotyping and under-representation. She identifies a need to conduct more immigration research in the arenas of production and consumption. Belkhodja discusses the debate over what constitutes reasonable accommodation, and considers some of the broader implications of the growing competition between Quebec pluralist sentiments and the rise of criticisms over diversity and accommodation.

As a whole, this is an important and timely book that contributes to broadening our understanding about how immigration integration is addressed in Canada and why. The concluding chapter of the three editors—John Biles, Meyer Burstein, and James Frideres—is particularly well done from a Canadian public policy perspective as it presents a solid working framework for identifying immigrant integration with the two-way process model, and discusses currently available empirical indicators for measuring immigrant integration in economic, social, cul-

tural, and political sectors. Still, what was not covered in the book raises the question of potential knowledge gaps. Interesting comparative work between the situation in Quebec and English-speaking Canada is present in the book, but we still know very little about legal immigration issues as they relate to the civil and common-law systems of the country, or about the settlement and integration realities of immigrants and refugees who migrate from Quebec to English-speaking Canada. More gender-based analysis and qualitative research would also be welcome. While it is my hope that these topics get picked up in the next volumes of the anticipated METROPOLIS collection and/or in future research projects and discussions, I fully recommend this first volume as it provides an excellent introduction to the topic of Canadian immigration and integration and has great appeal for a broad audience.

JOSÉE MAKROPOULOS, Government of Canada. The views expressed in this document are those of the author and do not necessarily reflect those of the Government of Canada.

The Impact of 9/11 on Canada-U.S. Trade

by Steven Globerman and Paul Storer. University of Toronto Press, 2008.

After the 9/11 attacks, the United States closed its border, shutting down bilateral trade with Canada. The reopening of the border heralded a regime of heightened security that has resulted in longer waits at the border and increased costs of moving goods between the two countries. In *The Impact of 9/11 on Canada-U.S. Trade*, Steven Globerman and Paul Storer measure the effect of post-9/11 security measures on bilateral trade flows between the two countries.

The book opens with an account of the closing and reopening of the United States border in the weeks following the attacks, and describes the security measures and agreements that were put in

place in the following weeks and years. From there, the authors describe the geography of the land ports at the border (chapter 2) and provide an overview of the bilateral trade in goods (chapter 3), noting the importance of certain goods (automobiles and parts) and certain ports (the lion's share of shipments pass through ports at Detroit, Buffalo-Niagara, and Port Huron). They also summarize previous estimates of increased waiting times and costs associated with the enhanced security (chapter 4). These chapters provide the background needed to evaluate the methodology and findings of the book.

The authors' methodology involves using bilateral trade covering the period 1996–2005 to estimate parsimonious models of exports to and imports from the United States. Any declines in imports or exports that occurred after September 11th, 2001, that cannot be accounted for by standard determinants of trade (the exchange rate and the national incomes of the two countries) are attributed to the extra costs of shipping resulting from increased security measures. As the costs associated with crossing the border before and after 9/11 cannot be consistently measured, this strikes me as a reasonable approach. Using this framework, the authors find that exports to and imports from the United States decreased dramatically in the months and years immediately after 9/11, falling by as much as 25 percent and 20 percent in 2002 and 2003, respectively. Although imports appear to have recovered by 2004, exports were still approximately 13 percent below expected levels in 2005.

Globerman and Storer acknowledge that their methodology will overstate the effect of security enhancements if other factors resulted in reduced trade flows. They systematically consider several potential candidates, including changes in the auto industry and the ongoing softwood lumber dispute, and make a compelling case that these factors were unlikely to play a substantive role in trade flows in the post-9/11 period. I felt some concern that the methodology might not be able to fully control for exchange rate effects, given that the exchange rate was depreciating in period before the attacks and

appreciated sharply in the aftermath. However, the finding that imports and exports both fell suggests that time effects indeed capture the effects of the new security measures.

Globerman and Storer apply this methodology to the ten largest ports, to determine whether the flow of goods across certain ports was particularly susceptible to disruptions arising from new border measures. They find that certain ports, such as Detroit, appeared to normalize within a few years, while exports and imports remained depressed until the end of their study period at others, such as Port Huron. An analysis of the types of goods and modes of transportation at various ports suggests that those ports through which a higher fraction of goods are shipped by rail were more likely to continue to experience a reduced flow of goods. The authors suggest that this arises because inspection of rail containers involves removing railcars from trains, delaying the entire train for over two hours.

The authors provide several recommendations for improving the flow of goods while pursuing the security goals of the United States. They argue that a common security perimeter is untenable, as Canadian politicians are unwilling to cede the necessary sovereignty. Globerman and Storer advocate using policies and technologies that allow shippers to notify border officials of shipments before they reach inspection points, so that officials can identify those shipments posing the greatest risks. They also call for coordinated efforts to improve border infrastructure.

This book is an important reminder that 9/11 has permanently changed the nature of border, and that this change is costly for Canada, given our commercial linkage with the United States. Globerman and Storer provide a careful study of how border changes have disrupted trade flows. This work should inform both policy discussions about trade and security, and subsequent studies of bilateral trade.

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