



FASTFACTS



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Building on the NAFTA Legacy?

In February 2005, the Council of Canadians obtained a confidential document from the Task Force on the Future of North America that makes clear Canada's business elite are planning to push the country toward deeper integration with the United States, including abandoning protections for culture and fresh water.

The document is a summary of the Task Force's first meeting, which took place in Toronto in October 2004. This confidential document is available on the Council of Canadians' web site at www.canadians.org.

The Task Force released their report yesterday recommending that Canada, US and Mexico form a "common security perimeter".

The Task Force is a joint project of the Council of Foreign Relations (CFR) in the U.S., the Mexican Council of Foreign Relations (MCFR), and the Canadian Council of Chief Executives (CCCE). It is co-chaired by former Deputy Prime Minister John Manley and Tom d'Aquino, Chief Executive Officer of the CCCE.

"The agenda is a virtual carbon copy of the CCCE's North American Security and Prosperity Initiative, which Tom d'Aquino has been selling since 9/11. If you think this is

just an external task force with little influence, think again. One recommendation, an annual Summit of the three countries' leaders, has already been implemented," says Maude Barlow, National Chairperson of the Council of Canadians.

NAFTA has depressed wages, worsened poverty and inequality, destroyed more jobs than it has created, eroded social programs, undermined democracy, and enfeebled governments while greatly increasing the rights, power and wealth of corporations and big investors.

Among the "contentious" issues discussed in the document are:
 Eliminating current NAFTA exemptions for culture and certain sectors of agriculture; "Crafting a North American 'resource pact' that would allow for greater intra-regional trade and investment in certain non-renewable natural resources, such as oil, gas, and fresh water."; Creating an integrated North American electrical grid that combines freer trade and investment with "some form of joint oversight and regulation.";

The document also calls for: A "North American brand name" - one suggestion is to

portray North America as a sort of "club of privileged members." The North American identity is also to be reinforced through the education system; A "North American security perimeter," extending from "Mexico's southern frontier to the Arctic Ocean, incorporating air, land and sea boundaries."; "Common exclusion lists for people from third countries.";



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A "North American passport."
"Trilateralized customs and immigration" procedures;
A "one inspection, one test and one certification procedure" for North America;
"Increased consultation on monetary policy, with the understanding that some form of North American currency union could become feasible in the future.";

"It's clear that what this Task Force has in mind is a North American common market with common security policies, common immigration and refugee systems, a harmonized border system so that we will not be able to have independent health and safety standards, and a common resource policy that includes trade in Canada's water at a future time when we have been softened up to accept it," says Barlow.

The Legacy of NAFTA- Why We Should All Be Concerned

In a PBS documentary called Trading Democracy, Bill Moyers suggests that "when the North American Free Trade Agreement became the law of the land almost a decade ago, the debate we heard was about jobs." "One provision was too obscure to stir up controversy. It was called Chapter Eleven, and it was supposedly written to protect investors from having their property seized by foreign governments. But since NAFTA was ratified, corporations have used Chapter Eleven to challenge the powers of government to protect its citizens, to undermine environmental and health laws, even attack our system of justice."¹

Here are three examples of how Chapter 11 has been used to undermine health:

1. The Ethyl Corporation, an American manufacturer of a gasoline additive (MMT), considered by the Canadian government to be carcinogenic and banned, sued the Canadian government under Chapter Eleven. The Ethyl Corporation claim was launched in 1996 and settled in 1998 after the Tribunal made three awards. As part of the settlement, the Government of Canada removed the ban, was forced to issue a statement that there was no evidence of harm caused by the product and paid the company approximately \$20 million (Canadian). MMT is banned in many US states and in Europe.²

2. Methanex, a Canadian company, is the world's largest producer of methanol, the key ingredient in the gasoline additive MTBE (methyl tertiary butyl ether). In 1995 MTBE began turning up in wells throughout California, and by 1999 had contaminated 30 public water systems. The state ordered that the additive be phased out, after some research linked it to cancer and other human health problems. Methanex filed suit under NAFTA's Chapter Eleven, seeking \$970 million in compensation for loss of market share and, consequently, future profits. This case has not been settled yet.

3. An American company called Metalclad tried to bulldoze over the protests of both state and local governments in Mexico to reopen a toxic waste dump that many citizens feared was making them sick, in particular from carcinogens. When Metalclad was stopped by the local town council the company invoked Chapter Eleven and was awarded \$16 million in compensation from the Mexican government and was allowed to continue with their operations.

NAFTA and the Economy

A recent Canadian Centre for Policy Alternatives study prepared by researchers in Canada, the U.S. and Mexico, determined that NAFTA has depressed wages, worsened poverty and inequality, destroyed more jobs than it has created, eroded social programs, undermined democracy, and enfeebled governments while greatly increasing the rights, power and wealth of corporations and big investors.

So-called increases in foreign investment in Canada in the free trade years resulted in the takeover of Canadian firms by foreign (mostly U.S.) corporations, many of whom financed their takeovers with loans from Canadian banks.

The legacy of NAFTA tells us that we should all be concerned about the future the Task Force on the Future of North America plans to take us.

- Robert Chernomas

Robert Chernomas is a professor of Economics at the University of Manitoba

¹ http://www.thirteen.org/moyers/trading_democracy/sample.html

² *CCPA Monitor*, November 1998

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