



PRESS RELEASE  
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## **Canada must renegotiate NAFTA now!**

(Montreal and Ottawa, October 1<sup>st</sup> 2008) – Given that the North-American Free Trade Agreement (NAFTA) is emerging once again as an issue in the US elections, the Harper government has been quick to praise the agreement in an obvious attempt to avoid renegotiating it. We, civil society networks and organizations from Canada and Quebec, say: not so fast!

For Common Frontiers-Canada and the Québec Network on Continental Integration, the idea of reopening NAFTA should not be dismissed so easily by our political leaders. This agreement not only has fundamental problems which need immediate attention, but its most notorious aspects are being reproduced in all the other ‘free’-trade agreements Canada has negotiated since.

An example of an aspect of these types of free trade agreements that is unacceptable in a democracy is the dominating role that the private sector plays: only the large companies have privileged access to key government officials while all other sectors of the society including elected members of Parliament, are excluded. Not content with the corporate-friendly provisions already built-in to NAFTA, the private sector began to agitate post 9/11 around the need to deepen NAFTA while bowing to US demands that Canada and Mexico take on as their own the US’s security agenda.

Taking a page from the corporations play book, government leaders from Canada, Mexico and the US met at the Bush ranch in March, 2005 to announce the launch of the Security and Prosperity Partnership of North America (SPP). The SPP has since taken the role of corporate domination to new heights with the formation of the North American Competitiveness Council (NACC) composed of thirty CEO’s from the largest corporations in North America, which was announced in 2006. The government Ministers responsible for the SPP portfolio sent this message to the NACC’s corporate leaders: “Tell us what we need to do and we’ll make it happen”.

Another NAFTA measure that the public should find unacceptable is the ‘right’ given to corporations to sue governments when the latter adopts public policy measures that corporations claim may harm their investments. This provision found in NAFTA’s infamous Chapter 11 produces a chilling effect on governments whenever they consider introducing tougher legislation or widening the rules to protect the public interest, out of fear of being sued by foreign investors. The Chapter 11 Investor/State provisions can be triggered by any one of many reasons, for example: because a foreign investor was not given ‘equal treatment’ to a national investor; because a government conditions an investment to making use wherever possible of local goods and services; because a government prevents a foreign investment from proceeding if it could affect the health of a local population; or because a foreign investor considers that it was not generally treated in a fair and equitable way by a government. All these investors’ ‘rights’ can prevent a government from adopting a national or regional development strategy. We call for the

removal of Chapter 11 in any future NAFTA renegotiation because it constitutes in effect a charter to protect investors' 'rights' under which the signatory countries transfer sovereignty in to the hands of private interests.

In addition, another aspect of NAFTA that needs to be re-examined, particularly in this period of unstable oil prices, is the 'proportionality' clause found in NAFTA's Chapter 6 because it endangers our future energy security. After seeing this clause during the NAFTA negotiations, Mexico demanded and got an exemption. A new study *Over a Barrel: Exiting from NAFTA's Proportionality Clause*\* co-authored by Gordon Laxer and John Dillon, examines how the NAFTA prevents Canadians from exercising sovereignty over our own energy supplies. Far from being an "energy superpower" as Prime Minister Harper claims, Canada is actually an energy colony, serving the USA's voracious appetite for non-renewable hydrocarbons ahead of our own needs.

Lastly, under NAFTA, our Federal government is privileging the protection of investors' rights above all other considerations while embedding similar provisions in all its other negotiations. For example, despite the fact that Parliament's Standing Committee on International Trade has recommended that Canada not proceed with a bi-lateral trade deal with Colombia given the gross violation of human rights occurring in that country (the systematic killings of dozens of trade unionists every year being particularly heinous), the Canadian government recently announced that it had completed the negotiation of a free trade agreement with Colombia, and that it expected to ratify this accord before the end of 2008. We demand that human, social and cultural rights and guarantees take precedence over the financial and commercial rules governing dealings between countries.

It is now time for the candidates in these elections to focus on NAFTA and on the over all free trade agenda that is contributing to making Canada a much more unequal place to live in.

The Québec Network on Continental Integration and Common Frontiers-Canada insist on not having future development in our societies entrusted to the market's the so-called invisible hand. The next government of Canada must commit to an extensive debate on the creation of an alternative model of integration - one that privileges the equitable distribution of wealth and guarantees, peoples' economic, social, cultural and environmental rights, over and against the ambitions of the trans-national corporations and their quest for profits at all costs.

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